

EXHIBIT F

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/roducercompensation or by calling 1-800-706-3102.

FORMS SCHEDULE

First Named Insured: VALITAS HEALTH SERVICES INC

Policy Number.: 6797600

Effective 12:01 AM: January 1, 2014

Endt No.	Policy Form Schedule	Form Number
	Medical Group Declarations	MNSCPT (01/14)
	Medical Group Professional Liability Occurrence Coverage Part	MNSCPT (01/14)
	Medical Group Administrative Proceedings – Defense Costs Coverage	MNSCPT (01/14)
	General Policy Provisions and Conditions Applicable To All Coverage Parts	MNSCPT (01/14)
01	Incurred Loss Retrospective Rating Premium Agreement	MNSCPT (01/14)
02	Definition of Named Insured Endorsement	MNSCPT (01/14)
03	Additional Insured (Specific) Endorsement	MNSCPT (01/14)
04	Amendatory (Addition Of Florida DOC Contract) Limits Of Insurance & Self Insured Retention Modified Endorsement	MNSCPT (01/14)
05	Self Insured Retention Endorsement	MNSCPT (01/14)
06	Patient Bodily Injury Endorsement	MNSCPT (01/14)
07	Other Insurance Endorsement	MNSCPT (01/14)
08	Patient Comp. Fund Excl. With Exception For IN Patient Comp. Fund	MNSCPT (01/14)
09	Excess Limits Of Ins Endt (Applicable In The State Of Missouri Only)	MNSCPT (01/14)
10	Excess Limits Of Ins Endt (Applicable In The State Of Idaho Only)	MNSCPT (01/14)
11	Excess Limits Of Ins Endt (Applicable For Fulton County Jail, GA Only)	MNSCPT (01/14)
12	Excess Limits Of Ins Endt (Applicable For Santa Barbara County Jail, CA Only)	MNSCPT (01/14)
13	Premium Audit Endorsement	MNSCPT (01/14)
14	Adjustable Total Policy Aggregate and Adjustable Self-Insured Retention Aggregate	MNSCPT (01/14)
15	Minimum Earned Premium Endorsement	MNSCPT (01/14)
16	Amendatory Endt. City of NY Indemnification	MNSCPT (01/14)
17	Additional Insured (Blanket) Endorsement	MNSCPT (01/14)
18	Arizona Department Of Corrections Contract Exclusion	MNSCPT (01/14)
19	Excess Limits Of Insurance Endorsement (Applicable In The State Of Virginia Only)	MNSCPT (01/14)
20	Economic Sanctions Endorsement	MNSCPT (01/14)
21	Indiana Amendatory Endorsement (Definition Of Pollutants)	MNSCPT (01/14)

**LEXINGTON INSURANCE COMPANY
WILMINGTON, DELAWARE**

ADMINISTRATIVE OFFICES: 100 SUMMER STREET, BOSTON, MA 02110-2103
(A Capital Stock Insurance Company)

**MEDICAL GROUP PROFESSIONAL LIABILITY - OCCURRENCE
MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS – OCCURRENCE**

DECLARATIONS

Various provisions in the General Policy Provisions and Conditions and Coverage Parts restrict coverage. Please read all General Policy Provisions and Conditions and Coverage Parts carefully to determine rights, duties, and what is and what is not covered. A complete Policy includes the Declarations, General Policy Provisions and Conditions, and the applicable Coverage Parts.

POLICY NUMBER: 6797600

RENEWAL OF NUMBER: 6797138

Item 1. FIRST NAMED INSURED: VALITAS HEALTH SERVICES, INC

Item 2. ADDRESS: 105 WESTPARK DR STE 200
BRENTWOOD, TN 37027-5010

Item 3. POLICY PERIOD: From: 01-01-2014 To: 01-01-2015
at 12:01 a.m. Standard Time at your mailing address shown above.

Item 4. DESCRIPTION OF OPERATIONS: Healthcare Services for Correctional Institutions

Item 5. LIMITS OF INSURANCE:

TOTAL POLICY AGGREGATE LIMIT (MAXIMUM PAYABLE UNDER BOTH COVERAGE PARTS)	\$ 48,000,000
AGGREGATE SELF-INSURED RETENTION (APPLICABLE TO BOTH COVERAGE PARTS)*	\$ 24,000,000
(a) Medical Group Professional Liability	
Each Medical Incident – Contractor Insured Limit	\$ 1,000,000
Each Medical Incident All Other Non-Contractor Insureds Combined Limit	\$ 1,000,000
Contractor Insured Aggregate Limit	\$ 3,000,000
All Other Non-Contractor Insureds Aggregate Limit	\$ 10,000,000
Each Medical Incident – Self-Insured Retention (All Insureds Combined)**	\$ 1,000,000
(b) Medical Group Administrative Proceedings – Defense Costs Only	
Each Administrative Proceeding Limit	\$ 25,000
Administrative Proceeding Aggregate Limit	\$ 500,000
<p>*The Aggregate Self-Insured Retention reduces the Total Policy Aggregate Limit. The Aggregate Self-Insured Retention is reduced by damages and/or defense costs under the Medical Group Professional Liability Occurrence Coverage Part and administrative expense defense costs under the Medical Group Administrative Proceedings Defense Costs Coverage part. Thus, the maximum total amount payable by Lexington Insurance Company is \$24,000,000 (subject to endorsement referred to below) and the maximum total amount payable will be determined as per endorsement listed below. **The Each Medical Incident – Self-Insured Retention (All Insureds Combined) reduces the Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insureds Combined Limit in the manner set forth in the "Self-Insured Retention Endorsement".</p> <p>Note: The Aggregate Self-Insured Retention and the Total Policy Aggregate Limit may be adjusted in accordance with the "Adjustable Total Policy Aggregate Limit and Adjustable Aggregate Self-Insured Retention Endorsement".</p>	

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Item 6. DEPOSIT PREMIUM: \$ 5,600,000

Item 7. FORMS AND ENDORSEMENTS: Attached At Inception – Refer to Forms Schedule

Item 8. PRODUCER NAME AND ADDRESS: HEALTHCARE LIABILITY SOLUTIONS, INC.
840 GESSNER, SUITE 1825
HOUSTON, TX 77024

By _____
Countersignature (In States Where Applicable)

By Brenda J. Osborne
Authorized Representative

Claim Reporting

Chartis Healthcare Liability Claims is the Claim Administrator for the companies of AIG.

Claims should be reported to the following centralized customer service center for assignment to a claim professional appropriate for the type of claim reported.

E-mail: severityfnol@chartisinsurance.com

Fax: 877-430-5356

Mail: Chartis Healthcare Liability Claims
Attn: Central Processing Center
P.O. Cox 25994
Shawnee Mission, KS 66225

The Central Processing Center will consolidate claim intake, creation and assignment functions. This means you have a simple way to notify the company of a loss**, as well as clearly identified points of contact to request claim information. You will be promptly advised of the assigned claim professional. Recognizing the importance of prompt issuance of acknowledgement letters, the Central Processing Center enables Chartis Healthcare Liability Claims to quickly and thoroughly acknowledge your claim submissions facilitating timely claim resolution.

** Please refer to the notice provision of the applicable policy or reinsurance certificate for specific requirements regarding timely and proper submission of a claim.

**MEDICAL GROUP PROFESSIONAL LIABILITY
OCCURRENCE COVERAGE PART**

<i>I. INSURING AGREEMENT</i>

Medical Group Professional Liability

We will pay those sums that an **Insured** becomes legally obligated to pay others as damages resulting from a **medical incident** arising out of **professional services**. The **medical incident** must take place during the **policy period**. A **claim** for a **medical incident** must be made within the coverage territory. The amount **we** will pay for damages is limited as described in Section IV. LIMITS OF INSURANCE.

No other obligation to pay sums or perform acts or services is covered unless explicitly provided for under Section II. DEFENSE AND OTHER PAYMENTS UNDER THIS POLICY – ALL COVERAGE PARTS of the GENERAL POLICY PROVISIONS AND CONDITIONS.

<i>II. WHO IS AN INSURED</i>

The following are **Insureds** under this Coverage Part:

- A. **You**, which means the **First Named Insured** and any other Named Insured.
- B. A partnership or joint venture, but only if the partnership or joint venture is specifically listed as a Named Insured. The partnership's partners or joint venture's members are also **Insureds**, but only with respect to the conduct of **your** business. No person or organization is an **Insured** with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
- C. A limited liability company, but only if the limited liability company is specifically listed as a Named Insured. The limited liability company's members are also **Insureds**, but only with respect to the conduct of **your** business. **Your** managers are **Insureds** but only with respect to their duties as **your** managers.
- D. If **you** are designated in the Declarations as other than partnership, joint venture or limited liability company, the organization so designated and any **Executive Officer**, director or stockholder thereof while acting within the scope of his duties for **you**.
- E. **Your Contractor Insureds**.
- F. **Your employees**, other than **your Contractor Insureds**, but only for acts within the scope of their employment by **you** or while performing duties related to the conduct of **your** business.
- G. Any **Contractor Insureds** or any of **your** other employed or contracted healthcare providers for the providing of **professional services** as a Good Samaritan away from **your** premises in sudden and unforeseen emergencies outside the scope of his or her patient care duties for **you**, provided that, no remuneration is demanded, expected or received.
- H. Members of **your** boards and committees, including physician members of **your** Medical Advisory Board and the Technical Advisory Panel, but only for conduct arising out of their duties as board or committee members.

- I. Any **Contractor Insured** while acting as a member of any committee of any licensed hospital or other healthcare facility, professional medical association or society or of a legally constituted professional standards review organization at **your** request.
- J. Any **locum tenens** healthcare professional engaged to act on **your** behalf as a replacement while an **Insured** or and **Contractor Insured** is temporarily absent from professional practice, only while acting within the scope of their employment by **you**.
- K. Any student enrolled in a training program in connection with **your professional services**, but only when acting within the scope of his or her duties and at **your** direction.
- L. Any of **your** authorized volunteer workers, other than a healthcare provider, but only while acting within the scope of their duties as such and at **your** direction.
- M. **Your** superintendents, administrators, directors, department heads, medical directors and heads of the medical staff, but only in their capacity as such.
- N. **Your** trustees and governors, but only for the conduct of **your** business within the course and scope of their employment or their duties as trustees or governors.

III. EXCLUSIONS

This insurance does not apply to any **medical incident, claim** or **suit** arising out of:

A. Contractual Liability

Any liability **you** assume under any contract or agreement.

This exclusion does not apply to:

- 1. Liability that **you** would have in the absence of a contract or agreement;
- 2. Liability **you** assume in a written contract with:
 - a. A Health Maintenance Organization;
 - b. A Preferred Provider Organization;
 - c. An Independent Practice Association; or
 - d. Any other similar organization;

but only for such liability as is attributable to an **Insured's** alleged negligence arising out of **professional services**; or
- 3. A warranty of fitness or quality of any therapeutic agents or supplies an **Insured** has furnished or supplied in connection with treatment that has been performed.

B. Unfair Trade Practices

Any allegations of price fixing, unfair competition or trade practices; a dispute over fees, income or revenue; the inducement to enter into, the interference with or the dissolution or termination of any business or economic relationship; or violations of any federal, state or

local law (including but not limited to Title 15 of the United States Code or any similar state statute) that prohibits the unlawful restraint of trade, business or profession.

This exclusion shall not apply to allegations of restraint of trade, business or profession arising out of the activities of the **Insured's** professional boards or committees as described in Section II. WHO IS AN INSURED, I. provided that settlement thereof or final judgment rendered therein does not affirm a violation of law; regardless of such final settlement or adjudication, **we** will provide a defense as to such allegations.

C. U.S. Department of Health & Human Services (HHS)

Any administrative or judicial hearings pertaining to Medicare/Medicaid fraud or any other hearing initiated against an **Insured** by HHS or by any utilization or quality review organization under contract with HHS.

This exclusion does not apply to HHS proceedings that allege the violation of the Emergency Medical Treatment and Labor Act.

D. Workers Compensation and Similar Laws

Any obligation an **Insured** has under a workers compensation, disability benefits, or unemployment compensation law or any similar law.

E. Employer's Liability

1. **Bodily Injury** to an **employee** of **yours** arising out of and in the course of:

a. Employment by **you**; or

b. While performing duties related to the conduct of **your** business; or

2. **Claims** or **suits** by a spouse, child, parent, grandparent, brother, or sister of that **employee** as a consequence of sub-paragraph a. above.

This exclusion applies:

1. Whether **you** may be liable as an employer or in any other capacity; and

2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

F. Employment Practices

Refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or other practices or policies related to employment for which a **claim** or **suit** is brought by an **Insured** or the spouse, parent, brother or sister of that **Insured**.

This exclusion does not apply to services by any person as a member of **your** formal accreditation, standards review or similar professional board or committee otherwise covered by this policy.

G. ERISA

Employee Retirement Income Security Act (ERISA) of 1974 or amendments thereto, or any similar state law.

H. War

War, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

I. Dishonest Practices

Dishonest, fraudulent, criminal or malicious acts, errors, or omissions; however, **we** will defend civil **claims** alleging such acts, errors or omissions until final adjudication.

J. Pollution

1. The actual, alleged, or threatened, discharge, dispersal, seepage, migration, release, or escape of **pollutants**;
2. Any direction, request, demand, order or statutory or regulatory requirement to test for, monitor, investigate, cleanup, remove, contain, treat, detoxify, or neutralize **pollutants** or in any way respond to or assess the effects of **pollutants**; or
3. Any cost, charge, expense or request for reimbursement arising out of 1. or 2. above.

K. Nuclear Hazards

Nuclear fission, nuclear fusion or radioactive contamination.

This exclusion does not apply to **bodily injury** to a **patient** arising out of the practice of Nuclear Medicine.

L. Asbestos

The manufacture, mining, use, sale, installation, removal, abatement, clean-up, distribution or exposure to asbestos, asbestos containing waste materials, asbestos waste, asbestos fibers, asbestos products and asbestos dust.

M. Sexual Misconduct

- . Any sexual act, including without limitation sexual intimacy (even if consensual), sexual contact, sexual advances, requests for sexual favors, sexual molestation, sexual assault, sexual abuse, sexual harassment, sexual exploitation or other verbal or physical conduct of a sexual nature. However, this exclusion does not apply to:
 1. Any specific individual **Insured** who allegedly committed such sexual misconduct, unless it is judicially determined that the specific individual **Insured** committed the sexual misconduct. If it is judicially determined that the specific individual **Insured** committed the sexual misconduct **we** will not pay any damages.
 2. Any other **Insured**, unless there is a judicial determination that such **Insured**:

- a. knew or should have known about the sexual misconduct allegedly committed by the specific individual **Insured**, but failed to prevent or stop it; or
- b. knew or should have known that the specific individual **Insured** who allegedly committed the sexual misconduct had a prior history of such sexual misconduct.

We will defend **claims** alleging such acts until final adjudication.

As used in this exclusion, specific individual **Insured** includes **employees** and authorized volunteer workers while performing duties related to the conduct of **your** business.

N. Discrimination/Humiliation

Discrimination based on, but not limited to race, color, creed, sex, religion, age, national origin, physical impairment, sexual preference, nor any **claims** involving humiliation or mental anguish, arising out of such discrimination whether or not for alleged violation of any federal, state or local government law or regulation prohibiting such discrimination.

However, this exclusion does not apply to any Civil Rights Violation alleged pursuant to 42 USC § 1983, et seq., provided that, such Civil Rights Violation arises out of a **medical incident** for which the **Insured** is legally liable.

O. Expected Or Intended Injury

Damages or harm expected or intended from an **Insured's** standpoint.

P. Other Coverage Parts

Any **claims** or **suits** brought under any Coverage Part of this policy other than this MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART.

Q. **Insured vs. Insured**

Any **claims** made by one **Insured** against another **Insured**.

This exclusion does not apply to:

1. Services by any person as a member of **your** formal accreditation, standards review or similar professional board or committee otherwise covered by this policy; or
2. **Medical incidents** involving **your employees**, students, volunteers or others that are considered within the policy definition of **Insureds** when they are receiving medical treatment from another **Insured**.

R. Penalties

Any fines or penalties.

S. Current or Past Partnerships or Joint Ventures

Arising out of any current or past partnership or joint venture not named as an **Insured** in this policy.

IV. LIMITS OF INSURANCE

The Limits of Insurance shown in Item 5(a) of the Declarations apply as follows:

- A. The Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insured’s Combined Limit are the most **we** will pay for damages under Section I. INSURING AGREEMENT – MEDICAL GROUP PROFESSIONAL LIABILITY for a single **medical incident** and/or all **bodily injury** to any one **patient** arising out of a single **medical incident** regardless of the number of **claims** made or **suits** brought; or persons or organizations making **claims** or bringing **suits**.

1. The Each Medical Incident – Contractor Insured Limit applies separately to each **Contractor Insured**; however any **locum tenens** and **Contractor Insured** for whom the **locum tenens** is substituting will share the same Each Medical Incident – Contractor Insured Limit; and
2. The Each Medical Incident All Other Non-Contractor Insured’s Combined Limit applies separately to all Named Insureds and all additional **Insureds** collectively, other than **Contractor Insureds**. This limit applies regardless of the number of **Insureds** who are covered under this policy.

All related or interrelated **medical incidents** causing **bodily injury** to a **patient** shall be deemed a single **medical incident** for the purpose of applying each **medical incident** limit.

Refer to the “Self-Insured Retention Endorsement” with respect to the reduction of the Each Medical Incident – Contractor Insured Limit and the reduction of the Each Medical Incident All Other Non-Contractor Insured’s Combined Limit.

- B. The Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit are the most **we** will pay for damages under Section I. INSURING AGREEMENT – MEDICAL GROUP PROFESSIONAL LIABILITY for each **policy period**.

1. Contractor Insured Aggregate Limit applies separately to each **Contractor Insured**; however any **locum tenens** and the **Contractor Insured** for whom the **locum tenens** is substituting will share the same Contractor Insured Aggregate Limit;
2. All Other Non-Contractor Insureds Aggregate Limit separately to all Named Insureds and all additional **Insureds** collectively, other than **Contractor Insureds**. This limit applies regardless of the number of **Insureds** who are covered under this policy.

- C. The Limit of Insurance shown in Item 5. of the Declarations as the Total Policy Aggregate Limit is the most **we** will pay for all damages and/or **defense costs** under the MEDICAL GROUP PROFESSIONAL LIABILITY COVERAGE PART and all **administrative proceeding defense costs** under the MEDICAL GROUP PROCEEDING DEFENSE COSTS COVERAGE

combined. Refer to the "Self-Insured Retention Endorsement" with respect to the reduction of the Total Policy Aggregate Limit.

- D. Subject to paragraph A., B, and C. above, all **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.
- E. If the **policy period** is extended for an additional period of less than 12 months, the additional period will be deemed part of the **policy period** for purposes of determining the Limits of Insurance.

V. ADDITIONAL CONDITIONS APPLICABLE TO THIS COVERAGE PART
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In addition to the GENERAL POLICY PROVISIONS AND CONDITIONS - Section III. CONDITIONS APPLICABLE TO ALL COVERAGE PARTS, the following Conditions apply to this Coverage Part:

A. Duties In the Event Of A Claim, Suit, or Medical Incident

As used in this Condition A. only, **you** means any **employee** authorized by the Named Insured to give or receive notice of a **medical incident, claim or suit**.

- 1. If during the **policy period**, **you** shall become aware of a **medical incident** which **you** reasonably determine could give rise to a **claim** being made against any **Insured**, **you** may at **your** option notify **us** in writing of such incident. To the extent possible, notice should include:

- a. How, when, and where the **medical incident** took place;
- b. The names and addresses of any injured persons and witnesses; and
- c. The nature and location of any injury or damage arising out of the **medical incident**.

Receipt by **us** of an incident report, including but not limited to variance reports, will not be considered a **claim** to **us**.

Any observance or reporting to the **First Named Insured** by **us** of any physical condition or other circumstance as a result of inspections, audits, engineering, loss control or risk management services shall not be considered a **claim** to **us**.

- 2. **You** shall immediately notify **us** in writing, in accordance with the terms set forth in Paragraph 3. below, of any **medical incident** which may result in a **claim** or **suit**:
 - a. which is likely to exceed 40% of the Each Medical Incident – Self-Insured Retention (All Insureds Combined) shown in Item 5.(a) of the Declarations (hereinafter, the Self-Insured Retention) or which is likely to exceed the remaining Aggregate Self-Insured Retention,
 - b. for which **you** have established a reserve (including indemnity and **defense costs**) at or more than 40% of the Self-Insured Retention or for which **you** have established a reserve (including indemnity and **defense costs**) which exceeds the remaining Aggregate Self-Insured Retention;

- c. for which **you** have received notice of a **claim** or **suit** in which the damage demand exceeds the Self-Insured Retention or the remaining Aggregate Self-Insured Retention; or
 - d. in which **we** are named as a defendant.
- 3. If any **claim** or **suit** meets the criteria set forth in Subparagraphs 2.a., 2.b., 2.c. or 2.d. above, **you** must immediately do all of the following:
 - a. Record the specifics of the **claim** or **suit** and the date received;
 - b. Provide **us** with written notice of the **claim** or **suit**; and
 - c. Send **us** copies of any demands, notices, summonses, or legal papers received in connection with the **claim** or **suit**.
- 4. On a bi-annual basis, **you** must provide **us** with a written summary (loss run) of all **medical incidents, claims** and/or **suits**:

This written summary must show:

 - a. The date of each **medical incident, claim** or **suit**; and
 - b. The name(s) of the injured person(s); and
 - c. A description of the injury; and
 - d. The amount paid or reserved, including **defense costs**, for such **medical incident, claim** or **suit**.
- 5. **You** agree to allow **us** to conduct **claim** audits at **our** discretion.

**MEDICAL GROUP ADMINISTRATIVE PROCEEDING
DEFENSE COSTS COVERAGE**

NOTICE: COVERAGE IS LIMITED TO THE PAYMENT OF ADMINISTRATIVE PROCEEDING DEFENSE COSTS ARISING OUT OF A MEDICAL INCIDENT WHICH FIRST OCCURS DURING THE POLICY PERIOD AND GIVES RISE TO AN ADMINISTRATIVE PROCEEDING AGAINST THE INSURED.. PLEASE REVIEW THIS COVERAGE PART CAREFULLY AND DISCUSS THIS COVERAGE PART WITH YOUR INSURANCE REPRESENTATIVE.

<i>I. ADMINISTRATIVE PROCEEDING DEFENSE COSTS COVERAGE</i>

We will pay those sums the **First Named Insured, Contractor Insured,** or Licensed Nurse for **administrative proceeding defense costs** incurs in the defense of an **administrative proceeding** up to the limits of insurance described in Section IV. LIMITS OF INSURANCE provided that, all of the following conditions are met:

- A. The **medical incident** which gives rise to the **administrative proceeding** must take place during the **policy period**; and
- B. The **medical incident** which gives rise to the **administrative proceeding** must occur within the coverage territory.

<i>II. WHO IS AN INSURED</i>

The following are **Insureds** under this Coverage Part:

- A. The **First Named Insured**;
- B. **Contractor Insureds**; and
- C. Licensed Nurses.

<i>III. EXCLUSIONS</i>

This ADMINISTRATIVE PROCEEDING DEFENSE COSTS COVERAGE does not apply to any **administrative proceeding** and **we** will not pay any **administrative proceeding defense costs** arising out of:

- A. U.S. Department of Health & Human Services (HHS)

Any **administrative proceeding** pertaining to Medicare/Medicaid fraud or any other hearing initiated against an **Insured** by HHS or by any utilization or quality review organization under contract with HHS.

This exclusion does not apply to HHS proceedings that allege the violation of the Emergency Medical Treatment and Labor Act.

- B. ERISA

Any **administrative proceeding** arising under or alleging any violation of, the Employee Retirement Income Security Act (ERISA) of 1974 or amendments thereto, or any similar state law.

- C. Other Coverage Parts

Any **claims** or **suits** brought under any Coverage Part of this policy other than this MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS CLAIMS MADE COVERAGE PART.

D. Penalties

Any fines, penalties, punitive, exemplary, multiplied damages or the multiple portion of multiplied damages.

E. Application for Licensure, Membership, of Privileges

Any matter involving the initial application for licensure, medical staff membership or clinical privileges, or initial application for participation as a provider under any managed care contract.

F. Membership in Professional Society or Organization, or Certification of Specialty

Any matter involving the membership in any professional society or other professional organization or involving the certification by any specialty or subspecialty practice board or college of medical practice.

G. Educational or Training Programs

Any medical, psychiatric or psychological treatment the **Insured** undergoes as required by any physician impairment committee or like body, or any educational or training program, whether or not such treatment or program is mandated by an **administrative entity**.

H. Implementation of Compliance Program or Policies or Procedures

Implementation of any compliance program or any policies, procedures or practices relating to participation as a provider of medical services to a managed care organization, whether initiated voluntarily or pursuant to direction by, order of, or in settlement with an **administrative entity**.

I. Actions for Disability Benefits, Unemployment Compensation, Workers' Compensation

Any action by any agency responsible for regulating disability benefits, unemployment compensation, workers' compensation or any similar law.

J. Actions under Occupational Safety Act 1070

Any action under the Occupational Safety Act 1070 or any amendments thereto, or any similar provisions of any federal, state or local law.

K. Violations of Lawful Orders

Any violation of any lawful order from an **administrative entity**.

IV. LIMITS OF INSURANCE

A. The Limits of Insurance shown in Item 5.(b) of the Declarations and the rules below establish the most **we** will pay for **administrative proceeding defense costs** under this Coverage Part regardless of the number of:

1. **Insureds** or **Contractor Insureds**;
2. Persons or entities instituting an **administrative proceeding**; or
3. **Administrative proceedings** instituted against the **Insured** or **Contractor Insureds**.

B. Subject to the Total Policy Aggregate Limit shown in Item 5. of the Declarations, the Administrative Proceeding Aggregate Limit shown in Item 5.(b) of the Declarations is the most **we** will pay for all

administrative proceeding defense costs for all **administrative proceedings** arising out of all **medical incidents** which occur during the **policy period**.

- C. Subject to Subsection B. above or the Total Policy Aggregate Limit, whichever amount remaining is less, the Each Administrative Proceeding Limit shown in Item 5.(b) of the Declarations is the most **we** will pay for all **administrative proceeding defense costs** arising out of a single **administrative proceeding**, including, if applicable, all appeals, remands, and/or reconsiderations of actions taken from such **administrative proceeding**. This limit will apply separately to each **Insured**, including each **Contractor Insured**, specifically named in the **administrative proceeding** and against whom or which such **administrative proceeding** is brought.

All **administrative proceedings** or series of related or interrelated **administrative proceedings** arising out of a common nexus of facts or circumstances will be deemed to be a single **administrative proceeding** and will be deemed to have occurred when the first **medical incident** giving rise to the **administrative proceedings** occurs.

- D. The Limit of Insurance shown in Item 5. of the Declarations as the Total Policy Aggregate Limit is the most **we** will pay for all damages and/or **defense costs** under the MEDICAL GROUP PROFESSIONAL LIABILITY COVERAGE PART and all **administrative proceeding defense costs** under the MEDICAL GROUP PROCEEDING DEFENSE COSTS COVERAGE combined. Refer to the "Self-Insured Retention Endorsement" with respect to the reduction of the Total Policy Aggregate Limit.
- E. The Limits of Insurance are not cumulative, even if an **administrative proceeding(s)** resulting from a common nexus of facts or circumstances spans more than one **policy period**. The policy in effect when the first **medical incident** which gives rise to the **administrative proceeding(s)** commences to occur shall be the only policy which applies to all such **administrative proceedings**.

VI. ADDITIONAL CONDITIONS APPLICABLE TO THIS COVERAGE PART

In addition to the GENERAL POLICY PROVISIONS AND CONDITIONS - Section III. CONDITIONS APPLICABLE TO ALL COVERAGE PARTS, the following Conditions apply to this Coverage Part:

A. Duties In the Event Of Notice Of An Administrative Proceeding

If during the **policy period**, the **First Named Insured** becomes aware of any **administrative proceeding** made against any **Insured**, the **First Named Insured** must notify **us** in writing as soon as practicable and immediately record the specifics of the **administrative proceeding** and the date received. To the extent possible, notice should include information regarding the **medical incident** resulting in an **administrative proceeding**, including the following:

1. How, when, and where the **medical incident** took place;
2. The names and addresses of any injured persons and witnesses;
3. The nature and location of any injury or damage arising out of the **medical incident**;
4. The facts or circumstances giving rise to the **administrative proceeding**; and
5. The reason(s) for the **administrative proceeding** being brought against the **Insured**.

**MEDICAL GROUP COVERAGE
GENERAL POLICY PROVISIONS AND CONDITIONS
APPLICABLE TO ALL COVERAGE PARTS**

NOTICE: VARIOUS PROVISIONS IN THE GENERAL POLICY PROVISIONS AND CONDITIONS AND COVERAGE PARTS RESTRICT COVERAGE. THERE MAY BE BOTH OCCURRENCE COVERAGES AND CLAIMS MADE COVERAGES IN THIS POLICY. PLEASE READ ALL GENERAL POLICY PROVISIONS AND CONDITIONS AND COVERAGE PARTS CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES, AND WHAT IS AND WHAT IS NOT COVERED. A COMPLETE POLICY INCLUDES THE DECLARATIONS, GENERAL POLICY PROVISIONS AND CONDITIONS, AND THE APPLICABLE COVERAGE PARTS.

Throughout this policy the words **you** and **your** mean the **First Named Insured**, including any other Named Insured. The words **we**, **us** and **our** mean the Company providing insurance under this policy. Other words and phrases are defined in Section I. DEFINITIONS APPLICABLE TO GENERAL POLICY PROVISIONS AND CONDITIONS AND ALL COVERAGE PARTS. Further, words that appear in the GENERAL POLICY PROVISIONS AND CONDITIONS may be defined in other Coverage Parts forming part of this policy.

In consideration of the payment of the premium and in reliance upon the statements in the Application and upon the Declarations, **we** agree as follows:

I. DEFINITIONS APPLICABLE TO GENERAL POLICY PROVISIONS AND CONDITIONS AND ALL COVERAGE PARTS

- A. **Administrative Entity** means any entity or body empowered to conduct an **administrative proceeding** against any **Insured** regarding licensure status, clinical privileges, medical staff membership, and status as a provider under any managed care contract.
- B. **Administrative Proceeding** means a proceeding, investigation, licensure or privileging hearing commenced by:
 - 1. the U.S. Department of Health and Human Services to determine whether an **Contractor Insured** violated the Emergency Medical Treatment and Labor Act of the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA");
 - 2. a State Medical Board, state licensing authority, or one of its divisions, resulting from a **medical incident**;
 - 3. a State Department of Consumer Affairs, or one of its divisions, resulting from a **medical incident**; or
 - 4. a licensed hospital or its hospital based peer review or quality assurance committee, resulting from a **medical incident**.
- C. **Administrative Proceeding Defense Costs** means reasonable and necessary fees and expenses charged by an attorney in the defense or appeal of an **administrative proceeding**.
- D. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about **your** goods, products or services for the purpose of attracting customers or supporters.
- E. **Auto** means a land motor vehicle, trailer, or semitrailer designed for travel on public

roads, including any attached machinery or equipment. **Auto**, however, does not include **mobile equipment**.

- F. **Biomedical Waste** means a biological agent or condition including, but not limited to, an infectious organism or unsafe laboratory condition that may cause or result in **bodily injury** or **property damage**.
- G. **Bodily Injury** means physical injury, sickness or disease sustained by any person, including death resulting from any of these at any time. **Bodily injury** does not include emotional distress or mental anguish unless due to physical injury, sickness or disease.
- H. **Claim** means:
 - 1. A written demand against an **Insured** for monetary damages, including a **suit**.
 - 2. With respect to MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE, written notice of an **administrative proceeding**.
 - 3. Written notice to **us** regarding a **medical incident** or **occurrence** which may reasonably be expected to give rise to a written demand against an **Insured** for monetary damages.
- I. **Defense Costs** means the cost incurred in connection with the investigation and/or defense of any **claim** or **suit** brought against any **Insured** including, but not limited to, legal fees and other defense expenses. **Defense Costs** includes Subparagraphs 2. through 10. of Paragraph B., SECTION II. DEFENSE AND OTHER PAYMENT UNDER THIS POLICY – ALL COVERAGE PARTS.
- J. **Employee** means a person paid by **you** in connection with **your** business. It includes a **leased worker** or **temporary worker**.
- K. **Executive Officer** means a person holding any of the officer positions created by **your** charter, constitution, by-laws or any other similar governing document.
- L. **First Named Insured** means the Named Insured designated first in Item 1. of the Declarations attached to this policy.
- M. **Impaired Property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
 - 1. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate, or dangerous; or
 - 2. **You** have failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
 - 1. The repair, replacement, adjustment or removal of **your product** or **your work**; or
 - 2. The fulfilling of the terms of the contract or agreement by **you**.
- N. **Insured Contract** means:
 - 1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner is not an **insured contract**;
 - 2. A sidetrack agreement;

3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. An elevator maintenance agreement; or
6. That part of any other contract or agreement pertaining to **your** business (including an indemnification of a municipality in connection with work performed for a municipality) under which **you** assume the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph 6. does not include that part of any contract or agreement:

- a. That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - i. Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings, designs and specifications; or
 - ii. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - c. Under which **you**, if an architect, engineer or surveyor, assumes liability for **bodily injury** or **property damage** arising out of **your** rendering or failure to render **professional services**, including those listed in b. above and supervisory, inspection, architectural or engineering activities.
- O. **Contractor Insured** or **Contractor Insureds** means a physician, certified registered nurse anesthetist, dentist, psychologist, podiatrist, audiologist, optometrist, nurse midwife, nurse practitioners, physician assistant, or sociologist employed by or under contract or agreement with a Named Insured, while acting within the scope of that person's duties as such in rendering **professional services** in accordance with the scope of their duties for the Named Insured.
- P. **Leased Worker** means a person leased to **you** by a labor leasing firm, under an agreement between **you** and the labor leasing firm, to perform duties related to the operations as described in the Declarations and which are at **your** direction. **Leased worker** does not include a **temporary worker**.
- Q. **Loading or Unloading** means the handling of property:
1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or **auto**;
 2. While it is in or on an aircraft, watercraft or **auto**; or
 3. While it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;

But **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, or **auto**.

- R. **Locum Tenens** means a physician, surgeon or other healthcare professional who is temporarily serving as a relief or substitute physician, surgeon or healthcare professional for a **Contractor Insured** or **Insured** healthcare professional.

- S. **Medical Incident** means any act, error or omission in the providing of or failure to provide **professional services** to any one **patient**.

All damages arising from any act, error or omission in the providing of or failure to provide **professional services** to a woman and/or her unborn child or children during the course of a pregnancy (including pre-natal, delivery and post-natal care) will be deemed to be a single **medical incident**.

Medical incident includes allegations of Civil Rights Violations by a **patient**, provided that, such allegations arise out of the providing of or failure to provide **professional services**.

- T. **Mobile Equipment** means any of the following types of land vehicles, including any attached machinery or equipment and including, but not limited to:

1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises **you** own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles other than those described in Items 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;
6. Vehicles other than those described in Items 1, 2, 3, or 4 above that are maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- a. Equipment designed primarily for:
 - i. Snow removal;
 - ii. Road maintenance, but not construction or resurfacing; or
 - iii. Street cleaning;
- b. Cherry pickers and similar devices mounted on **auto** or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

U. **Occurrence** means:

1. As respects **bodily injury, property damage** or medical expense, an accident, including continuous or repeated exposure to substantially the same general conditions, which results in **bodily injury or property damage** neither expected nor intended from the standpoint of the **Insured**. All such exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**;
2. As respects **personal injury**, an offense arising out of **your** business that results in **personal injury**. All **damages** that arise from the same or related injurious material or act shall be considered as arising out of one **occurrence**, regardless of the frequency of repetition thereof, the number and kind of media used and the number of claimants;
3. As respects **advertising injury**, an offense committed in the course of advertising **your** goods, products and services that results in **advertising injury**. All **damages** that arise from the same or related injurious material or act shall be considered as arising out of one **occurrence**, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants.

V. **Patient** means a person seeking or receiving, either on an inpatient, outpatient or emergency basis, any form of medical, surgical, dental or nursing care or any service or treatment.

W. **Personal and Advertising Injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

1. False arrest, detention, or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, committed by or on behalf of its owner, landlord, or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication of material that violates a person's right of privacy;
6. The use of another's advertising idea in **your advertisement**;
7. Infringing upon another's copyright, trade dress or slogan in **your advertisement**.

X. **Policy Period** means the period commencing on the inception date shown on the Declarations and ending on the earlier of the expiration date or the effective date of cancellation of the policy.

Y. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including, but not limited to: smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, **biomedical waste** and materials to be recycled, reconditioned or reclaimed.

Z. **Products-Completed Operations Hazard** includes all **bodily injury** and **property damage** occurring away from premises **you** own or rent and arising out of **your product** or **your work** except:

1. Products that are still in **your** physical possession; or
2. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - a. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 - b. When all of the work called for in **your** contract has been completed.
 - c. When all of the work to be done at the job site has been completed if **your** contract calls for work at more than one job site.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

This hazard does not include **bodily injury** or **property damage** arising out of:

1. The transportation of property, unless the injury or **damage** arises out of a condition in or on a vehicle not owned or operated by **you**, and that condition was created by the **loading or unloading** of that vehicle by any **Insured**;
2. The existence of tools, uninstalled equipment, or abandoned or unused materials; or
3. Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

AA. Professional Services means:

1. Medical, surgical, dental, nursing or other health care services including but not limited to the furnishing of food or beverages in connection with such services; the practice of nuclear medicine; the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or the handling or treatment of deceased human bodies, including, but not limited to, autopsies, organ donation or other procedures;
2. Services by any person as a member of a formal accreditation, standards review or similar professional board or committee of any **Insured**; or
3. Services by any person as a member of any committee of any licensed hospital or other healthcare facility, professional medical association or society or of a legally constituted professional standards review organization when at **your** request.
4. Supervising, teaching, proctoring others at **your** request.

BB. Property Damage means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. Solely with respect to any **bodily injury** and **property damage** coverage of this policy, all such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

CC. Suit means a civil action in which damages are alleged because of an **occurrence, claim, medical incident, bodily injury, property damage, personal injury and advertising injury** to which this insurance applies. **Suit** includes:

1. An arbitration proceeding in which such damages are claimed and to which an **Insured** must submit or does submit with **our** consent; or
 2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which an **Insured** submits with **our** consent.
- DD. **Temporary Worker** means a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term work load requirements.
- EE. **Your Product** means:
1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. **You**;
 - b. Others trading under **your** name; or
 - c. A person or organization whose business or assets **you** have acquired; and
 2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- Your product** includes:
1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
 2. The providing of or failure to provide warnings or instructions.
- Your product** does not include vending machines or other property rented to or located for the use of others but not sold.
- FF. **Your Work** means:
1. Work or operations performed by **you** or on **your** behalf; and
 2. Materials, parts or equipment furnished in connection with such work or operations.
- Your work** includes:
1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
 2. Providing of or failure to provide warnings or instructions.

II. DEFENSE AND OTHER PAYMENTS UNDER THIS POLICY – ALL COVERAGE PARTS

The following is applicable to the MEDICAL GROUP PROFESSIONAL LIABILITY COVERAGE PART:

- A. When **we** have the duty to defend any **suit**, **we** will defend such **suit** against the **Insured** for a covered **claim** seeking damages on account of a **medical incident** even if such **claim** or **suit** is groundless, false or fraudulent. **We** have the right to investigate and defend any **suit** as **we** deem expedient. **We** will not settle any **claim** or **suit** without the consent of the Senior Director of Professional Liability Claims of the **First Named Insured** unless the Senior Director of Professional Liability Claims of the **First Named Insured** cannot be located and contacted after reasonable efforts to do so are made by **us**.

However, the **First Named Insured** must defend and indemnify **us** in the event a refusal by the Senior Director of Professional Liability Claims of the **First Named Insured** to consent to a settlement results in a judgment, settlement or other costs outside the coverage of this insurance policy or in excess of the applicable Limits of Insurance, including, without limitation, any and all damages and costs in the form of punitive, exemplary and multiple damages, resulting from **claims** or **suits** brought by any person, including any other person insured by the policy, alleging bad faith, fraud or similar cause of action arising out of the aforementioned refusal to settle.

- B. As respects the MEDICAL GROUP PROFESSIONAL LIABILITY COVERAGE PART, the following are in addition to the Limits of Insurance but included in the Total Policy Aggregate Limit shown in Item 5. of the Declarations.

We shall pay, with respect to any **suit we** defend:

1. All expenses **we** incur including **defense costs**.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which any **bodily injury** liability coverage applies. **We** do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. **We** do not have to furnish these bonds.
4. All reasonable expenses incurred by an **Insured** at **our** request to assist **us** in the investigation or defense of the **suit**, including actual loss of earnings up to \$500 a day because of time off from work.
5. Pre-judgment interest awarded against the **Insured** on that part of the judgment **we** pay. If prior to judgment, **we** make an offer to pay the applicable Limit of Insurance, **we** will not pay any pre-judgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
7. All costs taxed against the **Insured** in the **suit**.
8. Premiums on appeal bonds required by law to appeal any **suit we** defend, but only for bond amounts within the applicable Limits of Insurance. **We** are not obligated to apply for or furnish any such bond.
9. Reasonable and necessary costs incurred by a Third Party Claim Administrator to attend a mediation, settlement conference, trial or similar proceeding in relation to a **claim**.
10. Reasonable and necessary costs (not including general overhead) for any attorney who is **your** employee or under **your** permanent retainer, but only when such attorney defends **you** against a pro se **suit**.

- C. **Our** duty to defend any **suit** ends, and **we** may withdraw from the defense, after the applicable Limit of Insurance has been exhausted by the payment of settlements, judgments or awards including pre-judgment interest.

The following is applicable to the MEDICAL GROUP ADMINISTRATIVE PROCEEDING DEFENSE COSTS COVERAGE:

We do not have the duty to defend. **You** shall select attorneys as **you** deem appropriate. **We** have no obligation to select any attorney. **We** will pay **you** for **administrative proceeding expense** that exceeds the Aggregate Self Insured Retention shown in Item 5 of the Declarations up to the Limits of Insurance shown in Item 5 (b) of the Declarations.

III. CONDITIONS APPLICABLE TO ALL COVERAGE PARTS

The following conditions apply to all Coverage Parts:

A. Assistance and Cooperation

The **Insured** shall:

- a. Cooperate with **us** in the investigation, settlement, or defense of the **claim** or **suit**; and
- b. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply.

The **Insured** shall not, except at the **Insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without **our** consent.

B. Audit

We may audit and examine **your** books and records as they relate to this policy at any time during the period of this policy and for up to three years after the expiration or termination of this policy.

C. Changes

Notice to any agent or knowledge possessed by any agent or any other person will not effect a waiver or a change in any part of this policy. This policy can only be changed by a written endorsement that becomes a part of this policy and that is signed by one of **our** authorized representatives.

D. Coverage Territory

We will cover an **occurrence, medical incident** or offense, in the United States of America, its territories and possessions, Canada and Puerto Rico, provided a **claim** is made or **suit** is brought in the United States of America, its territories and possessions, Canada or Puerto Rico.

E. Mergers/Acquisitions

We will cover any organization **you** newly acquire or form, other than a partnership, joint venture or limited liability company, and over which **you** maintain ownership or at least a majority interest, only for sixty (60) days or for the remainder of the **policy period**, whichever is less, from the date that **you** acquire or form it. **You** are not covered for damages that arise out of **bodily injury, property damage, or medical incidents** that occurred before **you** acquired or formed the organization, or **personal and advertising injury** arising out of an **occurrence** which took place before **you** acquired or formed the organization.

If any person or organization became an additional Named Insured under this policy after the

inception date, the **policy period** for that person or organization begins on the date that such person or organization became an additional Named Insured and ends on the earlier of the expiration date or the effective date of cancellation of the policy.

For coverage to apply to the newly acquired or formed organization upon acquisition **you** must do the following within sixty (60) days:

1. Notify **us** in writing within sixty (60) days of such acquired or formed organization;
2. Submit an underwriting application to **us**, if requested by **us** such after **we** have been notified;
3. The application must be approved by **us**;
4. Pay any additional premium upon notice; and
5. Agree to any amendment of the provisions of this policy required by **us** relating to such newly acquired or formed organization.

If **you** are acquired or merged into another organization not named as an **Insured** in this policy, then this insurance shall cease immediately upon such acquisition or merger.

F. Legal Action Against Us

No person or organization has a right under this Policy:

1. To join **us** as a party or otherwise bring **us** into a **suit** asking for damages from **you**; or
2. To sue **us** under this policy, unless all this policy's terms have been complied with in full.

A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against **you** obtained after an actual trial; but **we** will not be liable for damages that are not payable under the terms of any Insuring Agreement or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by **us**, **you** and the claimant or the claimant's legal representative.

G. Other Insurance

The insurance provided under each Coverage Part shall be excess over other valid insurance, whether collectable or not, and whether provided on a primary, excess, contingent or any other basis, unless such other insurance is written specifically to be excess over such Coverage Part.

H. Separation of Insureds

Except with respect to the Limits of Insurance and deductible, and except with respect to any rights or duties specifically assigned in this policy to the Named Insured, this insurance applies:

1. As if each **Insured** were the only **Insured**; and
2. Separately to each **Insured** against whom a **claim** is made or **suit** is brought.

I. Bankruptcy/Insolvency

Your bankruptcy or insolvency will not relieve **us** of **our** obligations under this policy.

J. Representations

By accepting this policy, the **First Named Insured** agrees that:

1. The statements in the Declarations and/or Applications are accurate and complete;
2. Those statements are based upon representations made to **us** by **you**; and
3. **We** have issued this policy in reliance upon **your** representations.

K. Subrogation

If an **Insured** has rights to recover all or part of any payment **we** have made under this Policy, those rights are transferred to **us**. An **Insured** shall do nothing to impair these rights after a loss. At **our** request, an **Insured** will bring **suit** or transfer those rights to **us** and fully cooperate with **us** with respect to enforcing them.

Any recoveries will be applied in accordance with the following priorities:

1. Any person or organization, including the **Insured**, that have paid an amount in excess of **our** payment under this policy will be reimbursed first;
2. **We** then will be reimbursed up to the amount **we** have paid; and
3. Lastly, any interests, including the **Insured**, over which **our** insurance is excess, are entitled to the residual.

L. Your Agreement to Settle Claims Through Binding Arbitration

If **you** sign any agreement to submit **claims** against **you** to binding arbitration, this policy will not provide coverage for such **claims** unless: (1) **you** have notified **us**, as soon as practicable, that such **claim** is subject to binding arbitration, and (2) **we** have agreed, in writing, to the method of binding arbitration set forth in the agreement between **you** and any claimant. **We** will provide coverage for **claims** submitted to binding arbitration by reason of such agreement only if such **claims** are otherwise covered by the applicable Insuring Agreement under this policy.

M. Conformance To Statute

To the extent that this policy conflicts with any law, statute, or regulation applicable to this policy, this policy shall conform to the minimum requirements of that law, statute, or regulation.

N. Transfer of Your Rights and Duties

Your rights and duties under this policy may not be transferred without **our** written consent.

If **you** die or are legally declared bankrupt, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative. However, notice of cancellation sent to the **First Named Insured** designated in Item 1. of the Declarations and mailed to the address shown in this policy will be sufficient notice to effect cancellation of this policy.

O. Special Rights And Duties Of First Named Insured

It is agreed by all **Insureds** that the **First Named Insured** is authorized to act on behalf of all **Insureds** as to:

1. Giving and receiving notice of cancellation;
2. Payment of premiums and receipt of return premiums;
3. Acceptance of any endorsements to this policy;
4. Making changes in this policy or any coverage part with **our** consent.
5. Making representations with respect to the issuance by **us** of this policy.
6. Settling all **claims** or **suits** on behalf of any **Insured**.

This policy can only be changed by a written endorsement **we** issue and make a part of this policy.

P. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give the **First Named Insured** reports on the conditions **we** find; and
3. Recommend changes.

Any inspections, surveys, reports, or recommendations are related only to insurability and the premiums to be charged.

We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

We do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes, or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.

Q. Omnibus Reconciliation Act

We will comply with the requirements of section 952 of the Omnibus Reconciliation Act of 1980. Upon written request, the company will allow the secretary of health and human resources and the comptroller general access to the policy and necessary books, documents and records to verify the cost of the policy, to the extent required by law. Access will also be allowed to subcontract between the Company and any affiliated organization of the Company and to its books, documents and records. Such access will be provided up to four years after the services furnished under this policy end.

R. Titles Of Paragraphs

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

S. Service Of Suit

In the event of **our** failure to pay any amount claimed to be due hereunder, **we**, at **your** request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such **suit** may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts 02110 or his or her representative, and that in any **suit** instituted against **us** upon this policy, **we** will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, **we** hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office, as **our** true and lawful attorney upon whom may be served any lawful process in any action, **suit**, or proceeding instituted by **you** or on **your** behalf or any beneficiary hereunder arising out of this Policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

T. Arbitration

Notwithstanding Condition S. Service of Suit, above, in the event of a disagreement as to the interpretation of this policy (except with regard to whether this policy is void or voidable), it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) Arbitrators consisting of two (2) party-nominated (non-impartial) Arbitrators and a third (impartial) Arbitrator (hereinafter "umpire") as the sole and exclusive remedy.

The party desiring arbitration of a dispute shall notify the other party, said notice including the name, address and occupation of the Arbitrator nominated by the demanding party. The other party shall, within 30 days following receipt of the demand, notify in writing the demanding party of the name, address and occupation of the Arbitrator nominated by it. The two (2) arbitrators so selected shall, within 30 days of the appointment of the second Arbitrator, select an umpire. If the Arbitrators are unable to agree upon an umpire, the selection of the umpire shall be submitted to the Judicial Arbitration and Mediation Services (hereinafter, "JAMS"). The umpire shall be selected in accordance with Rule 15 (as may be amended from time to time) of the JAMS Comprehensive Arbitration Rules and Procedures for the selection of a sole arbitrator.

The parties shall submit their cases to the panel by written and oral evidence at a hearing time and place selected by the umpire. Said hearings shall be held within 30 days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three (3) panel members shall be binding and final and not subject to appeal except for grounds of fraud and gross misconduct by the Arbitrators. The award will be issued within 30 days of the close of the hearings. Each party shall bear expenses of its designated Arbitrator and shall jointly and equally share with the other the expense of the umpire and the arbitration.

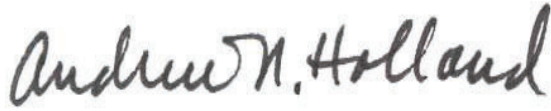
The arbitration proceeding shall take place in the vicinity of the **First Named Insured's** mailing address as shown in the Declarations or such other place as may be mutually agreed by the **First Named Insured** and **us**. The procedural rules applicable to this arbitration shall, except as

provided otherwise herein, be in accordance with the JAMS Comprehensive Arbitration Rules and Procedures.

IN WITNESS WHEREOF, the Insurance Company identified on the Declarations has caused this policy to be signed by its President, Secretary and a duly authorized representative of the Insurance Company.

A stylized handwritten signature in black ink, consisting of a large 'T' followed by a series of loops and a long horizontal stroke.

PRESIDENT

A handwritten signature in black ink that reads 'Andrew N. Holland' in a cursive script.

SECRETARY

ENDORSEMENT NO. 1

Effective 12:01 AM: January 1, 2014

Forms a part of Policy No.: 6797600

Issued to: VALITAS HEALTH SERVICES INC

By: LEXINGTON INSURANCE COMPANY

INCURRED LOSS RETROSPECTIVE RATING PREMIUM AGREEMENT

This endorsement modifies insurance provided by the policy:

The **First Named Insured** and **we** mutually understand and agree that the premium for Policy No. 6797600 issued for the **policy period** January 1, 2014 to January 1, 2015 shall be computed and adjusted in accordance with the following rating plan.

If the **First Named Insured** fails to pay any additional premiums owed under this endorsement, then **we** shall subtract such additional premiums from any outstanding future loss payments under this policy.

I. Retrospective Premium Computation

A calculation of the Retrospective Premium as described below will be made annually by **us**, beginning with **Incurred Losses** valued as of eighty four (84) months after the inception date of this policy, and then subsequently with **Incurred Losses** valued every twelve (12) months thereafter (each of these dates is referred to individually as, the "**loss valuation date**"). The Retrospective Premium will be calculated by **us** within thirty (30) days after each **loss valuation date**.

The Retrospective Premium will be the sum of the **Basic Premium** plus the **Incurred Losses**, subject to the **Maximum Premium** and subject to the **Minimum Premium**.

II. Retrospective Premium Adjustments

A. First Retrospective Premium Adjustment:

A Retrospective Premium will be calculated with **Incurred Losses** valued as of eighty four (84) months after the inception date of the **policy period**. The Retrospective Premium so calculated will be compared to the **Standard Premium**.

If the Retrospective Premium is less than the **Standard Premium**, premium will be returned by **us** to the **First Named Insured** in an amount equal to the difference between the **Standard Premium** and the Retrospective Premium, subject to the **Minimum Premium**.

If the Retrospective Premium is greater than the **Standard Premium**, an additional premium will be paid by the **First Named Insured** to **us** in an amount equal to the difference between the Retrospective Premium and **Standard Premium** the, subject to the **Maximum Premium**.

B. Subsequent Retrospective Premium Adjustments:

A Retrospective Premium will be calculated annually by **us**. The Retrospective Premium so calculated will be compared to the previous Retrospective Premium.

If the Retrospective Premium calculated at the subsequent **loss valuation date** is less than the Retrospective Premium at the previous **loss valuation date**, a return premium equal to the difference between these amounts will be paid by **us** to the **First Named Insured**, subject to the **Minimum Premium**.

If the Retrospective Premium calculated at the subsequent **loss valuation date** is greater than the Retrospective Premium at the previous **loss valuation date**, an additional premium equal to the difference between these amounts will be paid by the **First Named Insured** to **us**, subject to the **Maximum Premium**.

ENDORSEMENT NO. 1

C. Final Retrospective Premium Adjustment:

The Retrospective Premium will be adjusted annually as described above until:

1. All **claims** have reached final settlement or final adjudication; or
2. The paid losses used in the Retrospective Premium calculation causes the Retrospective Premium to equal the **Maximum Premium**, and the **Maximum Premium** has been paid by the **First Named Insured**; or
3. A mutual agreement has been reached in writing between the **First Named Insured** and **us**.

III. Collateral

Prior to payment by **us** of any return premium due to the **First Named Insured** as a result of any Retrospective Premium Adjustment, if any, the **First Named Insured** will provide to **us** a clean, irrevocable, automatically renewable Letter of Credit, from an institution acceptable to **us** with wording acceptable to **us**, in the amount of the difference between the Retrospective Premium and the **Standard Premium**. **We** will pay the return premium due to the **First Named Insured** promptly after receiving from the **First Named Insured** such Letter of Credit.

IV. Definitions. As used in this Endorsement:

- A. **Allocated loss adjustment expenses** means all fees for service of process and court costs and court expenses; pre- and post-judgment interest; attorneys' fees; cost of undercover operative and detective services; costs of employing experts; costs for legal transcripts, copies of any public records, and costs of depositions and court reported or recorded statements; costs and expenses of subrogation; and any similar fee, cost or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a loss or a **claim** or **suit** against **you** or any **Insured** under the policy, or for the protection and perfection of **your** or **our** subrogation rights.

Allocated loss adjustment expenses shall not include **your** or **our** general overhead, the salary and employee benefits of any of **our** employees, nor the fees of any attorney who is **our** employee or under **our** permanent retainer; nor the fees of any attorney **we** retain to provide counsel to **us** about **our** obligations, if any, under any policy issued by **us** or **our** affiliated company (ies), with respect to a **claim** or **suit** against **you**.

- B. **Incurred Losses** means without limitation the sum of:

- a. All paid losses; plus
- b. Open reserves as determined by **us** on all open losses; plus
- c. Interest accruing after entry of a judgment against the **Insured**, plus
- d. Any **allocated loss adjustment expenses** paid by **us** on each loss, plus
- e. Expenses incurred in seeking recovery against a third party.

Incurred Losses does not mean that portion of any loss either paid or reserved which is contained within the Self Insured Retention as stated in this policy.

- C. **Basic Premium** means \$700,000.

- D. **Standard Premium** means \$5,600,000, which is the annual premium stated on the Declarations Page of this policy, plus any additional premium for exposures added after the effective date of this policy and/or less any return premium credited to the policy after the effective date of this policy.

- E. **Maximum Premium** means 145% of the **Standard Premium**.

- F. **Minimum Premium** means 40% of the **Standard Premium**.

ENDORSEMENT NO. 1

In witness whereof, the parties hereto have caused this agreement to be executed by their respective duly authorized officers:

Accepted by the **First Named Insured**
on behalf of itself and all other **Insureds**

Accepted by Lexington Insurance Company:

Signed

Signed

Name

Name

Title

Title

Date

Date

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 2

Effective 12:01 AM: January 1, 2014

Forms a part of Policy No.: 6797600

Issued to: VALITAS HEALTH SERVICES INC

By: LEXINGTON INSURANCE COMPANY

DEFINITION OF NAMED INSURED ENDORSEMENT

"Named Insured" wherever used in the policy means:

1. The **First Named Insured** shown in Item 1. of the **DECLARATIONS**, Valitas Health Services, Inc.;
2. The Named Insureds shown in the "Schedule of Named Insureds" below;
3. A newly acquired or formed **subsidiary or affiliated entity** of the **First Named Insured**, newly acquired or formed during the **policy period**. Coverage is only provided for a **medical incident** or **bodily injury** which first occurs on or after the acquisition or formation of such entity, but prior to the end of the **policy period**. We shall have the right to audit and charge an additional premium for any such **subsidiary or affiliated entity** in accordance with our rules and rates; and
4. A Professional Corporation (P.C.) or Professional Association (P.A.) that is a party to a written contract with a **subsidiary or affiliated entity** of the **First Named Insured** during the **policy period**, but only with respect to a **medical incident** arising out of correctional healthcare services provided to correctional facilities under such written contract.

The **First Named Insured** is the appointed and irrevocable agent for all Named Insureds, including, for the purpose of receipt of any notice of cancellation, notice of nonrenewal (if applicable), and the payment or return of any premium under this policy.

As used herein, **subsidiary or affiliated entity** means a subsidiary or affiliated entity of the **First Named Insured**, other than a joint venture or partnership:

1. that is in the primary business of providing correctional healthcare, and
2. for which the **First Named Insured**:
 - a. has more than a 50% ownership interest in such entity, or
 - b. exercises management or financial control of such entity, such that the **First Named Insured** has or controls the rights to elect or appoint more than 50% of the directors or officers of such entity or maintains a majority ownership interest of more than 50% of the outstanding securities representing the present right to vote in the election of directors or officers of such entity.

SCHEDULE OF NAMED INSUREDS

Valitas Health Services, Inc.
Corizon, Inc.
Corizon Health, Inc.
Corizon Health of New Jersey, LLC
America Service Group Inc.
Prison Health Services, Inc.
Prison Health Services of Indiana, LLC
Correctional Health Services, Inc.
Correctional Health Services, LLC

ENDORSEMENT NO. 2

SCHEDULE OF NAMED INSUREDS (Continued)

EMSA Correctional Care, Inc.
EMSA Military Services, Inc.
EMSA Government Services, Inc.
EMSA Limited Partnership
Secure Pharmacy Plus, Inc.
Secure Pharmacy Plus, LLC
PHS Community Care, LLC
CHS Medical Services, P.C. (NJ)
Quality Correctional Care of New Jersey, P.C. (fka CHS Medical Services, P.C. (NJ))
PHS Medical Services, P.C. (NY)
Correctional Medical Associates of New York, P.C. (fka PHS Medical Services, P.C.)
PHS Dental Services, P.C. (NY)
Correctional Dental Associates of New York, P.C. (fka PHS Dental Services, P.C.)
PHS of Kansas, P.A.
PHS Professional Medical Services, P.C. (TN, MN)
Quality Correctional Care of Tennessee, P.C. (fka PHS Professional Medical Services, P.C.)
PHS of North Carolina Medical Services, P.C.
PHS Regional Medical, P.C. (NY)
Prison Medical, P.A. (TX)
PHS Medical Corporation (CA)
Comprehensive Correctional Care, P.C. (CA) (fka PHS Medical Corporation)
Young S. Kim, M.D.P.C. dba PHS of IL Medical Services
Saavedra, M.D. PHS of Nevada Medical Services, P.C.
Quality Correctional Care of Michigan, P.C. (fka PHS of Michigan, PC)
PHS of Michigan, PC
Ivor Garlick, MD, PC & Correctional Dental Associates
Correctional Dental Associates of Arkansas, PA
Correctional Physician Associates of Arkansas, P.A.
Correctional Medical Associates of Greater New York, P.C. (incorporation in process)
Valitas Equity LLC
Valitas, Inc.
Correctional Medical Services, Inc.
Correctional Medical Services of Illinois, Inc.
Correctional Medical Services of Delaware, Inc.
PharmaCorr, LLC
Valitas Behavioral Services, Inc.
Genesis Behavioral Services, Inc.
Valitas Behavioral Services of Delaware, Inc.
Correctional Healthcare Associates of Kansas, PA

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 3

Effective 12:01 AM: January 1, 2014

Forms a part of Policy No.: 6797600

Issued to: VALITAS HEALTH SERVICES INC

By: LEXINGTON INSURANCE COMPANY

ADDITIONAL INSURED (SPECIFIC) ENDORSEMENT

This endorsement modifies insurance provided under the policy.

SECTION II. WHO IS AN INSURED of the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART is amended to include the following as additional **Insureds**:

- Lakewood Healthcare Associates, LLC, is an **Insured**, but only with respect to services rendered by **Contractor Insureds** or other healthcare providers covered by this policy within the scope of their employment for the Named Insured or pursuant to their written contract with the Named Insured, whichever is applicable;
- Mexico Woman's Health Specialists in Missouri, but only pursuant to its written contract with the Named Insured, and only as respects **claims** or **suits** alleging a violation under 42 USC § 1983, et seq., provided that, such Civil Rights Violation arises out of a **medical incident** for which the additional **Insured** is legally liable;
- Indiana Minority Health Coalition ("IMHC"), but only with respect to services rendered by the Named Insured or any psychiatrist independently contracted with IMHC to work at a location staffed by the Named Insured;
- Gary Campbell, DO, but only as respect consulting services performed on behalf of the Named Insured;
- Ernest W. Jackson, DMD, Institutional Dental Services, PC, a Missouri Professional Corporation, but only as respects services performed on behalf of the Named Insured.
- Family Vision Center of Hobbs, NM, but only with respect to services rendered by optometrists, **Contractor Insureds** and/or other healthcare providers covered by this policy within the scope of their employment for the Named Insured or pursuant to their written contract with the Named Insured, whichever is applicable.
- Sheryl Salaris, M.D., but only as respect to consulting services performed on behalf of the Named Insured;
- Lee J. Browning, O.D., but only as respect to consulting services performed on behalf of the Named Insured;
- James Thorpe, D.M.D., but only as respect to consulting services performed on behalf of the Named Insured;
- Melvin Kolb, M.D., P.C. is an **Insured**, but only as respect services provided by Melvin Kolb, M.D. on **your** behalf.

Under no circumstances, will **we** provide a higher limit of insurance to the third party, then required by the written contract between the Named Insured and such third party.

This endorsement shall not increase the Limits of Insurance shown in the Declarations pertaining to the coverage provided herein.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 4

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

AMENDATORY (ADDITION OF FLORIDA DOC CONTRACT)
LIMITS OF INSURANCE & SELF INSURED RETENTION MODIFIED ENDORSEMENT

The policy is amended as follows:

With respect to a **medical incident** governed by the **First Named Insured's** contract with the State of Florida Department of Corrections *only*, the Limits of Insurance and Self Insured Retention shown in Item 5 (a) of the DECLARATIONS are deleted in their entirety and replaced with the following:

5. (a) Medical Group Professional Liability

Each Medical Incident – Contractor Insured Limit	\$	250,000
Each Medical Incident All Other Non-Contractor Insureds Combined Limit	\$	250,000
Contractor Insured Aggregate Limit	\$	750,000
All Other Non-Contractor Insureds Aggregate Limit	\$	5,000,000
Each Medical Incident – Self-Insured Retention (All Insureds Combined) **	\$	250,000

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 5

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

SELF-INSURED RETENTION ENDORSEMENT

NOTICE: (1) THE "AGGREGATE SELF-INSURED RETENTION" AS SHOWN IN THE DECLARATIONS IS INCLUDED WITHIN AND REDUCES THE TOTAL POLICY AGGREGATE LIMIT OF THIS POLICY AND (2) THE "EACH MEDICAL INCIDENT – SELF-INSURED RETENTION (ALL INSUREDS COMBINED)" AS SHOWN IN THE DECLARATIONS IS INCLUDED WITHIN AND REDUCES THE EACH MEDICAL INCIDENT – CONTRACTOR INSURED LIMIT AND THE EACH MEDICAL INCIDENT ALL OTHER NON-CONTRACTOR INSURED'S COMBINED LIMIT OF THIS POLICY.

This endorsement modifies insurance provided under all Coverage Parts:

- A.** The **First Named Insured** shall be solely responsible for the Aggregate Self-Insured Retention shown in the Declarations and Each Medical Incident – Self-Insured Retention (All Insureds Combined) shown in Item 5(a) of the Declarations. This Aggregate Self-Insured Retention and Each Medical Incident – Self-Insured Retention (All Insureds Combined) cannot be insured against without **our** written consent.
- B.** The Aggregate Self-Insured Retention is included within and reduces the Total Policy Aggregate Limit shown in the Declarations of this Policy.
- C.** This Aggregate Self-Insured Retention shall be reduced by the payment of damages and/or **defense costs** by the **First Named Insured** for a covered **medical incident** under MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART or the payment of **administrative proceeding defense costs** by the **First Named Insured** for a covered **administrative proceeding** under MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE.
- D.** Subject to Aggregate Self-Insured Retention set forth in Paragraph C. above, the Each Medical Incident – Self-Insured Retention (All Insureds Combined) shall be reduced by the payment of damages and/or **defense costs** by the **First Named Insured** for a single **medical incident** covered under MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART. The Each Medical Incident – Self-Insured Retention (All Insureds Combined) applies to all Named Insureds, additional **Insureds, Contractor Insureds** and **locum tenens**, collectively, for a single **medical incident**.
- E.** With respect to the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, Each Medical Incident – Self-Insured Retention (All Insureds Combined) shall be included within and reduce the Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insured's Combined Limit. This Each Medical Incident – Self-Insured Retention (All Insureds Combined) will be applied to a single **medical incident**. For the purposes of this provision, all related or interrelated **medical incidents** causing **bodily injury** to a **patient** shall be deemed a single **medical incident**.

If a single **medical incident** gives rise to: (1) multiple Each Medical Incident – Contractor Insured Limits (with or without the Each Medical Incident All Other Non-Contractor Insured's Combined Limit) applying to such **medical incident** or (2) a single Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insured's Combined Limit applying to such **medical incident**, then **we** shall apply the Each Medical Incident – Self-Insured Retention (All Insureds Combined) once to such **medical incident**.

ENDORSEMENT NO. 5

By way of example only, a **suit** names two **Contractor Insureds** and a Named Insured in a single **medical incident**, all of whom are found to be liable in a judgment covered by this policy (in a jurisdiction where joint and several liability applies). One of the **Contractor Insureds** (Contractor Insured #2) has previously reduced his/her Contractor Insured Aggregate Limit by other **claims**, such that the remaining amount available for this **suit** is \$500,000 for that **Contractor Insured**. All other Aggregate limits are sufficient and the Aggregate Self-Insured Retention has not been exhausted already and will not be exhausted by this **suit**. The judgment is for \$2,500,000 in damages. (To simplify, assume no **defense costs** are paid.)

In this case, the total available limits for this **medical incident** are \$1,000,000 for Contractor Insured #1, \$500,000 for Contractor Insured #2 and \$1,000,000 for the Named Insured. Thus, the total available limits are \$2,500,000. The Named Insured retains \$1,000,000 and **we** pay \$1,500,000.

With respect to the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE, the Aggregate Self-Insured Retention will be applied to single **administrative proceeding** in the same manner as described in Paragraph C. of Section IV. LIMITS OF INSURANCE of the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE.

- F. With respect to the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, **our** obligation to pay damages and/or **defense costs** and **our** rights and duties with respect to the defense and settlement of **claims** applies only when damages and/or **defense costs** for each **medical incident** exceeds the Each Medical Incident – Self-Insured Retention (All Insureds Combined) or the Aggregate Self-Insured Retention is exhausted by the payments set forth in Paragraph C. above and then only up to the applicable Limit of Insurance.

With respect to the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE, **our** obligation to pay **administrative proceeding defense costs** applies only when the Aggregate Self-Insured Retention is exhausted by the payments set forth in Paragraph C. above and then only up to the applicable Limit of Insurance. Under no circumstances shall **we** have a duty to defend any **administrative proceeding**.

Once the Aggregate Self-Insured Retention is exhausted no further Self-Insured Retention shall apply to any **claim** or **administrative proceeding**.

We shall have the right, at **our** own expense, but not the obligation to associate with the **Insured** in the defense, negotiation, and settlement of any **claim**. The Insured shall give **us** full cooperation and such information as **we** may reasonably require.

- G. The **First Named Insured** shall handle all **claims** or **suits** within the applicable Self-Insured Retention of this policy. **We** do not have the duty to investigate or defend any **medical incident**, **claim** or **suit** unless and until the applicable Self-Insured Retention is exhausted by the actual payment of the full amount of such Self-Insured Retention by damages and/or **defense costs** with respect to that **medical incident**, **claim** or **suit**. However, **we** may, at **our** discretion and expense, participate with **you** in the investigation of any such **medical incident** and the defense of any such **claim** or **suit** that may result and **you** shall provide **us** with **your** full cooperation. No **Insured** shall settle any **claim** or **suit** which obligates **us** to pay any amount under this policy without **our** prior written consent.
- H. Notwithstanding the definition of **defense costs** in the MEDICAL GROUP GENERAL POLICY PROVISIONS AND CONDITIONS, for the purposes of this endorsement, **defense costs** means legal costs and expenses, including fees charged by an attorney designated by **you** to investigate or defend any **claim** or **suit** brought against any **Insured**. **Defense costs** includes: (1) the cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance, (2) pre-judgment and post-judgment interest awarded against the **Insured**, (3) all costs taxed against the **Insured** in the **suit**, and (4) premiums on appeal bonds required by law to appeal any **suit**.

ENDORSEMENT NO. 5

Defense costs do not include, **your** general overhead; the salary and employee benefits of any of **your** employees; fees paid by **you** to any claims handling service; the fees of any attorney who is **your** employee; or the fees of any attorney **you** retain to provide counsel to **you** about **your** rights under any policy issued by **us** or **our** affiliated companies with respect to a **claim** or **suit** against **you**.

- I. Notwithstanding the definition of **administrative proceeding defense costs** in the MEDICAL GROUP GENERAL POLICY PROVISIONS AND CONDITIONS, for the purposes of this endorsement, **administrative proceeding defense costs** means reasonable and necessary fees and expenses charged by an attorney in the defense or appeal of an **administrative proceeding**.

Administrative proceeding defense costs do not include, **your** general overhead; the salary and employee benefits of any of **your** employees; fees paid by **you** to any claims handling service; the fees of any attorney who is **your** employee; or the fees of any attorney **you** retain to provide counsel to **you** about **your** rights under any policy issued by **us** or **our** affiliated companies with respect to a **administrative proceeding** against **you**.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 6

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

PATIENT BODILY INJURY COVERAGE ENDORSEMENT

This endorsement modifies insurance under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

I. **SECTION I. INSURING AGREEMENT** is amended to include the following coverage:

Bodily Injury to Patients

We will pay those sums that an **Insured** becomes legally obligated to pay as damages because of **bodily injury** to a **patient** to which this insurance applies. The amount **we** will pay for damages and/or **defense costs** is limited as described in Section **IV. LIMITS OF INSURANCE**. All **bodily injury** in any way sustained by a **patient** shall for the purposes of this endorsement be deemed a **medical incident**.

This coverage applies to **bodily injury** to a patient only if:

1. The **bodily injury** is caused by an **occurrence** that takes place in the coverage territory; and
2. The **bodily injury** occurs during the **policy period**.

II. The exclusions set forth in Section **III. EXCLUSIONS** do not apply to coverage provided by the "**Bodily Injury to Patients**" section of the **MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART**. However, the following exclusions apply to coverage provided by the "**Bodily Injury to Patients**" section of the **MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART**:

This insurance does not apply to any **medical incident, occurrence, claim or suit** arising out of:

A. Workers Compensation and Similar Laws

Any obligation an **Insured** has under a workers compensation, disability benefits, or unemployment compensation law or any similar law.

B. Employer's Liability

1. **Bodily Injury** to an **employee** of **yours** arising out of and in the course of:
 - a. **Employment** by **you**; or
 - b. Performing **duties** related to the conduct of **your** business; or
 - c. Any Occupational Disease; or
2. Any **claims** or **suits** brought by a spouse, child, grandparent, parent, brother, or sister of that **employee** as a consequence of paragraph 1. above.

This exclusion applies:

1. Whether **you** may be liable as an employer or in any other capacity; and

ENDORSEMENT NO. 6

2. To any **obligation** to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by **you** under an **insured contract**.

C. Property Damage and Personal and Advertising Injury

Property damage or **personal and advertising injury** of any kind or description, including the obligation to indemnify or hold harmless another person or organization for **property damage** or **personal and advertising injury** pursuant to any contract or agreement.

D. Bodily Injury to Any Person Other Than a Patient

Bodily injury to any person who does not qualify as **your patient** at the time that the injury is sustained.

E. War

War, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

F. Pollution

1. The actual, alleged, or threatened, discharge, dispersal, seepage, migration, release, or escape of **pollutants**;
2. Any direction, request, demand, order or statutory or regulatory requirement to test for, monitor, investigate, cleanup, remove, contain, treat, detoxify, or neutralize **pollutants** or in any way respond to or assess the effects of **pollutants**; or
3. Any cost, charge, expense or request for reimbursement arising out of **1.** or **2.** above.

This exclusion shall not apply to damages arising out of heat, smoke or fumes from a **hostile fire**. As used in this exclusion, **hostile fire** means a fire which becomes uncontrollable or breaks out from where it was intended to be.

G. Employment Practices

Any refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or other practices or policies related to employment or professional privileges.

H. Dishonest Practices

Dishonest, fraudulent, criminal or malicious acts, errors, or omissions; however, **we** will defend civil **claims** alleging such acts, errors or omissions until final adjudication.

I. Nuclear Hazards

Nuclear fission, nuclear fusion or radioactive contamination.

J. Asbestos

The manufacture, mining, use, sale, installation, removal, abatement, clean-up, distribution or exposure to asbestos, asbestos containing waste materials, asbestos waste, asbestos fibers, asbestos products and asbestos dust.

K. Sexual Misconduct

Any sexual act, including without limitation sexual intimacy (even if consensual), sexual contact, sexual advances, requests for sexual favors, sexual molestation, sexual assault, sexual abuse, sexual harassment, sexual exploitation or other verbal or physical conduct of a sexual nature. However, this exclusion does not apply to:

1. Any specific individual **Insured** who allegedly committed such sexual misconduct, unless it is judicially determined that the specific individual **Insured** committed the sexual misconduct. If it is judicially determined that the specific individual **Insured** committed the sexual misconduct **we** will not pay any damages.
2. Any other **Insured**, unless there is a judicial determination that such **Insured**:
 - a. knew or should have known about the sexual misconduct allegedly committed by the specific individual **Insured**, but failed to prevent or stop it; or
 - b. knew or should have known that the specific individual **Insured** who allegedly committed the sexual misconduct had a prior history of such sexual misconduct.

We will defend **claims** alleging such acts until final adjudication.

As used in this exclusion, specific individual **Insured** includes **employees** and authorized volunteer workers while performing duties related to the conduct of **your** business.

L. ERISA

The Employee Retirement Income Security Act (ERISA) of 1974 or amendments thereto, or any similar state law.

M. Discrimination/Humiliation

Discrimination based on, but not limited to race, color, creed, sex, religion, age, national origin, physical impairment, sexual preference, nor any **claims** involving humiliation or mental anguish, arising out of discrimination whether or not for alleged violation of any federal, state or local government law or regulation prohibiting such discrimination.

However, this exclusion does not apply to any Civil Rights Violation alleged pursuant to 42 USC § 1983, et seq., provided that, such Civil Rights Violation arises out of a **medical incident** for which the **Insured** is legally liable.

N. Insured vs. Insured

Any **claims** made by one **Insured** against another **Insured**.

This exclusion does not apply to **medical incidents** or **occurrences** involving **your employees**, students, volunteers or others that are considered within the policy definition of **Insureds** when they are registered as **patients** or when they are not acting within the scope of their duties on behalf of the Named Insured. However, this exception does not apply to any **Insured** for which workers compensation applies.

O. Other Coverage Parts

Any **claims** or **suits** brought under any Coverage Part of this Policy other than this **MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART**.

ENDORSEMENT NO. 6

P. Unfair Trade Practices

Any allegations of price fixing, unfair competition or trade practices; a dispute over fees, income or revenue; the inducement to enter into, the interference with or the dissolution or termination of any business or economic relationship; or violations of any federal, state or local law (including but not limited to Title 15 of the United States Code or any similar state statute) that prohibits the unlawful restraint of trade, business or profession.

Q. U.S. Department of Health & Human Services (HHS)

Any administrative or judicial hearings pertaining to Medicare/Medicaid fraud or any other hearing initiated against an **Insured** by HHS or by any utilization or quality review organization under contract with HHS.

This exclusion does not apply to HHS proceedings that allege the violation of the Emergency Medical Treatment and Labor Act.

R. Expected or Intended Injury

Damages or harm expected or intended from an **Insured's** standpoint. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

S. Contractual Liability

Liability arising from **bodily injury** for which **you** are obligated to pay damages by reason of the assumption of liability in a contract or agreement except an **insured contract**. This exclusion does not apply to liability for damages:

1. That **you** would have in the absence of the contract or agreement; or
2. Assumed in a contract or agreement that is an **insured contract**, provided the **bodily injury** occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an **Insured** are deemed to be damages because of **bodily injury**, provided:
 - a. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **insured contract**; and
 - b. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

T. Liquor Liability

Bodily injury for which an **Insured** may be held liable by reason of:

1. Causing or contributing to the intoxication of any person;
2. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
3. Any statute, ordinance, or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if **you** are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

ENDORSEMENT NO. 6

U. Aircraft, Auto, or Watercraft

Ownership, maintenance, use or entrustment to others of any aircraft, **auto**, or watercraft owned or operated by or rented or loaned to **you**. Use includes operation and **loading or unloading**.

This exclusion shall not apply to:

1. A watercraft **while** ashore on premises **you** own or rent;
2. A watercraft **you** do not own that is:
 - a. Less than 26 feet long; and
 - b. Not being used to carry persons or property for a charge;
3. Parking an **auto** on, or on the ways next to premises **you** own or rent, provided the **auto** is not owned by or rented or loaned to **you**;
4. Liability assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft;
5. The operation of any of the equipment listed in paragraph 6.b. or 6.c. of the definition of **mobile equipment**; or
6. **Loading or unloading of patients.**

V. Mobile Equipment

1. The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any **Insured**; or
2. The use of **mobile equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

W. Penalties

Any fines or penalties.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 7

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

OTHER INSURANCE ENDORSEMENT

This endorsement modifies insurance provided under the following:

MEDICAL GROUP COVERAGE GENERAL POLICY PROVISIONS AND CONDITIONS APPLICABLE TO ALL COVERAGE PARTS

Paragraph G., Other Insurance of Section III. CONDITIONS APPLICABLE TO ALL COVERAGE PARTS is deleted in its entirety and replaced with the following:

G. Other Insurance

1. If the **First Named Insured** has elected by written contract to provide primary and non-contributory insurance to any **Contractor Insured**, then this insurance shall be primary and non-contributory insurance with respect to any **claim** or **suit** for which coverage is provided under this Policy to such **Contractor Insured**.
2. However, in the event a **Contractor Insured** has Healthcare or Malpractice Professional Liability Insurance in force at the time of a loss which provides coverage for a **claim** or **suit** for which coverage would also be provided to such **Contractor Insured** by this Policy and the **Contractor Insured** has elected in writing to provide his/her own coverage for work on behalf of a **First Named Insured**, then this Policy will not provide coverage on any basis, including, but not limited to, providing coverage on a primary, excess, or contingent basis for such **Contractor Insured**.
3. With respect to all other **Insureds**, other than **Contractor Insureds**, this insurance shall be primary insurance. If, with respect to such other **Insureds**, this insurance is primary **our** obligations are not affected unless other insurance, pertaining to such other **Insureds**, is also primary. In such case, this insurance will share with such other insurance either: (1) by each insurer contributing equal shares until it has paid its limit of insurance or none of the loss remains or (2) based upon the ratio of **our** applicable limit of insurance to the total applicable limits of insurance of all insurers, whichever is determined to be applicable by agreement between the insurers or, if no agreement can be reached, by a court.

A Self-Insured Trust Plan or other Self-Insured Plan will be treated as other insurance for the purpose of applying these provisions.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 8

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**PATIENT COMPENSATION FUND EXCLUSION WITH EXCEPTION FOR
INDIANA PATIENT COMPENSATION FUND ENDORSEMENT**

This endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS REIMBURSEMENT COVERAGE

1. The following exclusion is added to **Section III. EXCLUSIONS** of the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS REIMBURSEMENT COVERAGE:

This insurance does not apply to any offense, **occurrence, administrative proceeding, administrative proceeding defense cost, claim or suit** arising out of **bodily injury** or a **medical incident** caused directly or indirectly by any individual or organization enrolled in any state Patient Compensation Fund, except any enrollee in the Indiana Patient Compensation Fund.

2. The following exclusion is added to **Section III. EXCLUSIONS** of the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART:

This insurance does not apply to any **medical incident, claim or suit** arising out of the rendering or failure to render **professional services** by any individual or organization enrolled in any state Patient Compensation Fund.

However, if the **First Named Insured** enrolls a **qualified healthcare provider** in the Indiana Patient Compensation Fund, this insurance will, nevertheless, apply to such individual, but only if and to the extent that coverage is provided under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART. Notwithstanding the limit of insurance shown in Item 5(a) of the Declarations, the limit of insurance applicable such **Contractor Insured** who is a **qualified healthcare provider** shall be:

Each Medical Incident – Contractor Insured Limit	\$	250,000
Contractor Insured Aggregate Limit	\$	750,000

If, in good faith, the **First Named Insured** fails to enroll a **qualified healthcare provider** in the Indiana Patient Compensation Fund, then the limits of insurance shown in Item 5(a) of the Declarations shall apply to such individual.

If, for any reason, the Total Policy Aggregate Limit shown in Item 5. is exhausted by the payment of damages and/or **defense costs**, then **our** obligation to pay damages and/or **defense costs** for **medical incidents** occurring in Indiana for which the **Contractor Insured** who is a **qualified healthcare provider** is liable shall continue without regard to the Total Policy Aggregate Limit.

Qualified healthcare provider means a **Contractor Insured** who is a qualified health care provider, as defined by Indiana law, and enrolled in the Indiana Patient Compensation Fund.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 9

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE IN THE STATE OF MISSOURI ONLY)**

This endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

- A. With respect to a **medical incident** governed by the **First Named Insured's** contract with the State of Missouri Department of Corrections, if a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limit of Insurance

Each Medical Incident Excess Limit: **\$1,000,000**

Aggregate Excess Limit: **\$1,000,000**

- B. If the Excess Limits of Insurance described in Paragraph A., above, apply, The Each Medical Incident – Self-Insured Retention (All Insureds Combined) shown in Item 5.(a) of the Declarations is deleted and replaced with the following:

Each Medical Incident – Self-Insured Retention (All Insureds Combined) * * **\$2,000,000**

- C. Subject to the Total Policy Aggregate Limit and the Aggregate Self-Insured Retention shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.
- D. Subject to the Aggregate Excess Limit, the Each Medical Incident Excess Limit is the most **we** (or **you**, if within the Each Medical Incident – Self Insured Retention (All Insureds Combined) and Aggregate Self-Insured Retention) will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**. The Each Medical Incident – Self Insured Retention (All Insureds Combined) reduces the Each Medical Incident Excess Limit in the same manner that it reduces the Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insureds Combined Limit.
- E. All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.
- F. Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.

ENDORSEMENT NO. 9

- G. As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath the name.

Authorized Representative

ENDORSEMENT NO. 10

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE IN THE STATE OF IDAHO ONLY)**

This endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

With respect to a **medical incident** governed by the **First Named Insured's** contract with the State of Idaho Department of Corrections, if a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limit of Insurance

Each Medical Incident Excess Limit: **\$1,000,000**

Aggregate Excess Limit: **\$3,000,000**

Subject to the Total Policy Aggregate Limit shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.

Subject to the Aggregate Excess Limit, the Each Medical Incident Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**.

All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.

Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.

As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 11

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE FOR FULTON COUNTY JAIL, GA ONLY)**

This endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

With respect to a **medical incident** governed by the **First Named Insured's** contract with the Fulton County Jail of Atlanta, Georgia:

If a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limit of Insurance

Each Medical Incident Excess Limit: **\$1,000,000**

Aggregate Excess Limit: **\$1,000,000**

Subject to the Total Policy Aggregate Limit shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.

Subject to the Aggregate Excess Limit, the Each Medical Incident Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**.

All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.

Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.

As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 12

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE FOR SANTA BARBARA COUNTY JAIL, CA ONLY)**

This endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

With respect to a **medical incident** governed by the **First Named Insured's** contract with the Santa Barbara County Jail of Santa Barbara, California, if a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limit of Insurance

Each Medical Incident Excess Limit: **\$2,000,000**

Aggregate Excess Limit: **\$2,000,000**

Subject to the Total Policy Aggregate Limit shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.

Subject to the Aggregate Excess Limit, the Each Medical Incident Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**.

All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.

Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.

As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 13

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

PREMIUM AUDIT ENDORSEMENT

This endorsement modifies insurance provided the insurance of the policy.

1. The total premium as shown in Item 6. of the DECLARATIONS is the deposit premium.

At the close of **policy period**, the **Service Adjusted Annual Average Inmates** will be determined for that period using the formula shown in Section 3. of this endorsement.

If the Final Audited **Service Adjusted Annual Average Inmates** is equal to 236,029, then no additional premium is due or return premium is payable for the **policy period**.

If the Final Audited **Service Adjusted Annual Average Inmates** is less than 236,029, then **we** will return premium for the **policy period** by calculating the amount in accordance with the **Return Premium Formula**.

If the Final Audited **Service Adjusted Annual Average Inmates** is greater than 236,029, then **we** shall give notice to the **First Named Insured** of additional premium due to **us** using the **Additional Premium Formula** below. The additional premium shall become due and payable within 15 days of such notice.

Additional Premium Formula: The number of Final Audited **Service Adjusted Annual Average Inmates** greater than 236,029 multiplied by \$23.73.

Return Premium Formula: The number of Final Audited **Service Adjusted Annual Average Inmates** less than 236,029 multiplied by \$23.73. However, **we** will retain no less than sixty-five (65) percent of the deposit premium.

2. RECORDS

The **First Named Insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to **us** in December 2014 for calculation of the projected **Service Adjusted Annual Average Inmates** and within 30 days after the end of the **policy period** for determination of Final Audited **Service Adjusted Annual Average Inmates**.

ENDORSEMENT NO. 13

3. SERVICE ADJUSTED ANNUAL AVERAGE INMATES FORMULA

Service Type	Annual Average Inmates (a)	Service Type Adjustment (b)	Limit Adjustment Factor (c)	Adjusted Annual Average Inmates = (a) x (b) x (c)
Comprehensive	106,737	1.000	1.000	106,737
Excluding Mental Health	57,004	0.800	1.000	45,603
Excluding Physicians	22,014	0.500	1.000	11,007
Indemnification (Rikers)	10,212	0.200	1.000	2,042
Mental Health Only	19,943	0.200	1.000	3,989
Pharmacy Only	0	0.010	1.000	0
Physicians Only	44,416	0.500	1.000	22,208
Florida DOC	75,200	1.000	0.591	44,443
Total	335,526			236,029

All other terms and conditions of the policy remain unchanged.


 Authorized Representative

ENDORSEMENT NO. 14

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**ADJUSTABLE TOTAL POLICY AGGREGATE LIMIT AND ADJUSTABLE
AGGREGATE SELF-INSURED RETENTION ENDORSEMENT**

This endorsement modifies insurance provided by the policy:

The **First Named Insured** will provide **us** with the actual total number of covered inmates for the **policy period** during December, 2013. Based upon these numbers, the Final Audited **Service Adjusted Annual Average Inmates** for the **policy period** will be calculated in accordance with the formula set forth in the "Premium Audit Endorsement".

The Final Audited **Service Adjusted Annual Average Inmates** determined in December, 2014 will be divided by 236,029 and **we** will multiply such quotient by the Total Policy Aggregate Limit and Aggregate Self-Insured Retention shown on the Declarations to get an adjusted amount. The Total Policy Aggregate Limit and Aggregate Self-Insured Retention applicable to all **medical incidents** which occur during the **policy period** will be the greater of the following:

1. Such adjusted amount; or
2. Sixty-five percent (65%) of the Total Policy Aggregate Limit and Aggregate Self-Insured Retention shown on the Declarations.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 15

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

GENERAL POLICY PROVISIONS AND CONDITIONS

The last paragraph of **Section IV. CANCELLATION** beginning with the words, "The time of the surrender..." and ending with the words, "...condition of cancellation." Is deleted in its entirety and replaced with the following:

The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by the First Named Insured or by **us** shall be the equivalent to the mailing. If the First Named Insured cancels, **we** shall retain an earned premium which shall be the greater of the customary short-rate procedure or the minimum earned premium of \$1,475,000. If **we** cancel, unearned premium shall be computed pro rata. Premium adjustment may be made either at the time of cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 16

Effective 12:01 AM: January 1, 2014

Forms a part of Policy No.: 6797600

Issued to: VALITAS HEALTH SERVICES INC

By: LEXINGTON INSURANCE COMPANY

AMENDATORY ENDORSEMENT – CITY OF NEW YORK

Notwithstanding any other provision of this policy to the contrary, this policy is excess over any indemnification provided to **you** by The City of New York for any covered **claim** or **suit** arising out of services or products provided by any Insured at any of the Rikers Island correctional facilities in the State of New York.

All other terms and conditions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda A. Osborne". The signature is written in a cursive style with a horizontal line underneath the name.

Authorized Representative

ENDORSEMENT NO. 17

Effective 12:01 AM: January 1, 2014

Forms a part of Policy No.: 6797600

Issued to: VALITAS HEALTH SERVICES INC

By: LEXINGTON INSURANCE COMPANY

ADDITIONAL INSURED (BLANKET) ENDORSEMENT

The Policy is amended as follows:

Section **II. WHO IS AN INSURED** of the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART is amended by adding the following:

Any organization is included as additional insured if **you** are obligated by virtue of a written contract to provide indemnification or insurance as afforded by this Policy to such organization, but only with respect to liability arising out of operations conducted by **you** or on **your** behalf.

Notwithstanding any provision in the written contract between **you** and such organization to the contrary, the organization shall not be construed as an organization acting on **your** behalf and there shall be no coverage with respect to liability for injury or damages arising out of any act or omission of such organization.

In the event that the Limits of Insurance provided by this Policy exceed the Limits of Insurance required by the written contract, the insurance provided by this endorsement shall be limited to the Limits of Insurance (inclusive of any applicable self insured retention) required by the written contract. The Limits of Insurance (inclusive of any applicable self insured retention) provided by this Policy shall not be increased for any reason, including any failure, refusal or inability of any self insurance/**Insured** to pay any amounts due thereunder. This endorsement shall not increase the Limits of Insurance shown in the Declarations pertaining to the coverage provided herein.

Any coverage provided by this endorsement to an additional insured organization shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis, unless the written contract with the additional insured specifically requires that this insurance be primary and non-contributory with any other insurance carried by the additional insured. In such case, this insurance shall be primary and non-contributory with any other insurance carried by the additional insured.

In the event of payment under the Policy, **we** waive our right of subrogation against an organization included as an additional insured where the **Named Insured** has waived liability of such person or organization as part of a written contractual agreement between the **Named Insured** and the organization entered into prior to the **medical incident**.

In accordance with the terms and conditions of the policy and as more fully explained in the policy, as soon as practicable, each additional insured must give **us** prompt notice of any **medical incident**, which may result in a **claim**, forward all legal papers to **us**, cooperate in the defense of any actions, and otherwise comply with all of the policy's terms and conditions. Failure to comply with this provision may, at **our** option, result in the **claim** or **suit** being denied.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 18

Effective 12:01 AM: January 1, 2014

Forms a part of Policy No.: 6797600

Issued to: VALITAS HEALTH SERVICES INC

By: LEXINGTON INSURANCE COMPANY

ARIZONA DEPARTMENT OF CORRECTIONS CONTRACT EXCLUSION

This endorsement modifies insurance provided by the policy:

The following is added to Section III. EXCLUSIONS of the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART and the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE:

This insurance does not apply to any **medical incident, claim, suit or administrative proceeding** arising out of any **professional services** performed pursuant to the contract between the **First Named Insured** and State of Arizona Department of Corrections commencing March 4, 2013.

All other terms and conditions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath it.

Authorized Representative

ENDORSEMENT NO. 19

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE IN THE STATE OF VIRGINIA ONLY)**

This endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

- A.** With respect to a **medical incident** governed by the **First Named Insured's** contract with the State of Virginia Department of Corrections, if a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limits of Insurance

Applicable to Medical Incidents occurring from 5/1/2013 through 6/30/2013:

Each Medical Incident Excess Limit: \$1,050,000

Applicable to Medical Incidents occurring from 7/1/2013 through 6/30/2014:

Each Medical Incident Excess Limit: \$1,100,000

Applicable to Medical Incidents occurring from 7/1/2014 through 12/31/14:

Each Medical Incident Excess Limit: \$1,150,000

Aggregate Excess Limit: \$5,000,000

- B.** If the Excess Limits of Insurance described in Paragraph A., above, apply, The Each Medical Incident – Self-Insured Retention (All Insureds Combined) shown in Item 5.(a) of the Declarations is deleted and replaced with the following:

Applicable to Medical Incidents occurring from 5/1/13 through 6/30/13:

Each Medical Incident – Self-Insured Retention (All Insureds Combined) \$2,050,000

Applicable to Medical Incidents occurring from 7/1/13 through 6/30/14:

Each Medical Incident – Self-Insured Retention (All Insureds Combined) \$2,100,000

Applicable to Medical Incidents occurring from 7/1/14 through 12/31/14:

Each Medical Incident – Self-Insured Retention (All Insureds Combined) \$2,150,000

- C.** Subject to the Total Policy Aggregate Limit and the Aggregate Self-Insured Retention shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.

ENDORSEMENT NO. 19

- D. Subject to the Aggregate Excess Limit, the applicable Each Medical Incident Excess Limit is the most **we** (or **you**, if within the applicable Each Medical Incident – Self Insured Retention (All Insureds Combined) and Aggregate Self-Insured Retention) will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**. The applicable Each Medical Incident – Self Insured Retention (All Insureds Combined) reduces the Each Medical Incident Excess Limit in the same manner that it reduces the Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insureds Combined Limit.
- E. All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.
- F. Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.
- G. As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 20

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided by the policy:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

Insurer shall also mean "we", "us", "our", or the "Company", whichever is applicable, in accordance with the terms of this Policy, whether or not such term is in quotation marks or bolded.

All other terms and conditions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda Osborne", written over a horizontal line.

Authorized Representative

ENDORSEMENT NO. 21

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

INDIANA AMENDATORY ENDORSEMENT
(Definition of Pollutants)

When a claim or **Suit** is brought against an **Insured** in the state of Indiana and/or Indiana law applies, this policy is amended as follows:

The definition of **Pollutants** in this policy or in any endorsement to this policy is deleted in its entirety and replaced with the following:

Pollutants means any solid, liquid, gaseous, bacterial, fungal, electromagnetic, thermal or other substance that can be toxic or hazardous, cause irritation to animals or persons and/or cause contamination to property and the environment including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Specific examples identified as pollutants include, but are not limited to, diesel, kerosene, and other fuel oils, gasoline, butane, propane, natural gas, and other fuels, brake fluid, transmission fluid, and other hydraulic fluids, ethylene glycol, methyltertbutylether (MTBE), methanol, ethanol, isopropyl alcohol, and propylene glycol, and other fuel and antifreeze additives, grease, tar, petroleum distillates, and other petroleum products and petroleum hydrocarbons, carbon monoxide, and other exhaust gases, stoddard solvent, mineral spirits, and other solvents, chromium compounds, emulsions/emulsifiers, naphtha tetrachloroethylene (PCE), perchloroethylene (PERC), trichloroethylene (TCE), methylene chloroform, and other dry cleaning chemicals, methyl isobutyl ketone, methyl ethal ketone, n-butyl acetate, 2-butoxyethanol, hexylene glycol, peroxides, freon, polychlorinated biphenyl (PCB), CFC113, chlorofluorocarbons, chlorinated hydrocarbons, adhesives, pesticides, insecticides, barium, 1,2-Dichloroethylene, ethylene dichloride, dichloromethane, methylene chloride, ethylbenzene, lead, Mercury, Selenium, sulfate, xylene, silica, sewage, and industrial waste materials, and all substances, constituents, derivatives or degradative byproducts, or additives specifically listed, identified, or described by one or more of the following references:

- i. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances (1997 and all subsequent editions);
- ii. Agency for Toxic Substances And Disease Registry ToxFAQs™;
- iii. Clean Air Act's List of 188 Air Toxics And Diesel Particulate Matter;
- iv. U.S. Environmental Protection Agency EMCI Chemical References Complete Index;
- v. U.S. Environmental Protection Agency Persistent, Bioaccumulative, and Toxic Chemicals List;
- vi. Indiana Department of Environmental Management, Remediation Closure Guide, March 22, 2012 edition, Table A-6 Screening Level Summary Table – 2012; and
- vii. Indiana Department of Environmental Management, Risk Integrated System of Closure Technical Guide, Default Closure Tables, January 31, 2006 Appendix 1 (Revised May 1, 2009)

Substances identified as examples above or by the referenced lists also include materials or substances to be discarded, recycled, reconditioned or reclaimed.

This definition of **Pollutants** applies whether or not such solid, liquid, gaseous, bacterial, fungal, electromagnetic or thermal irritant or contaminant or substance is your product or products used by you or for you, and/or is an integral part of or incidental to your business, operations, premises, site or locations or has any function in your business, operations, premises, site or locations.

ENDORSEMENT NO. 21

For the purpose of this endorsement, **Suit, Insured** and **Pollutants** shall have the applicable meaning, in accordance with the terms of this policy, whether or not such term is in quotation marks or bolded.

All other terms, conditions and exclusions of the policy remain unchanged.


Authorized Representative

ENDORSEMENT NO. 22

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

DELETION OF ENDORSEMENT

The following endorsement is deleted in its entirety:

Endorsement No. 10, Excess Limits Of Insurance Endorsement (Applicable In The State Of Idaho Only)

All other terms and conditions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath.

Authorized Representative

ENDORSEMENT NO. 23

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE IN THE STATE OF IDAHO ONLY)**

In consideration of \$50,000 additional premium, this endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

With respect to a **medical incident** governed by the **First Named Insured's** contract with the State of Idaho Department of Corrections, if a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limit of Insurance

Each Medical Incident Excess Limit: **\$2,000,000**

Aggregate Excess Limit: **\$7,000,000**

Subject to the Total Policy Aggregate Limit shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.

Subject to the Aggregate Excess Limit, the Each Medical Incident Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**.

All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.

Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.

As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

ENDORSEMENT NO. 24

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

NAMED INSURED AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided by the policy:

1. The following is deleted from the SCHEDULE shown on the DEFINITION OF NAMED INSURED ENDORSEMENT:

Corizon, Inc.

2. The following is added to the SCHEDULE shown on the DEFINITION OF NAMED INSURED ENDORSEMENT:

Corizon, LLC (fka Corizon, Inc.)

All other terms and conditions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath the name.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT NO. 25

Effective 12:01 AM: June 23, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**EXCESS LIMITS OF INSURANCE ENDORSEMENT
(APPLICABLE FOR FRESNO COUNTY JAIL, CA ONLY)**

In consideration of \$34,716 additional premium, this endorsement modifies insurance provided under the following:

MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART

With respect to a **medical incident** governed by the **First Named Insured's** contract with the Fresno County Jail of Fresno, California, if a **claim** or **suit** arising out of such **medical incident** is brought against one **Contractor Insured** or one **Non-Contractor Insured** (but such **claim** or **suit** does not name multiple **Contractor Insureds**, multiple **Non-Contractor Insureds**, or one or more **Contractor Insured(s)** and one or more **Non-Contractor Insured(s)**), then the following excess limits will apply:

Excess Limit of Insurance

Each Medical Incident Excess Limit: **\$2,000,000**

Aggregate Excess Limit: **\$2,000,000**

Subject to the Total Policy Aggregate Limit shown in Item 5. of the Declarations and regardless of the number of **Insureds**, **claims** made or **suits** brought, or persons or organizations making **claims** or bringing **suits**, the Aggregate Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, under this policy.

Subject to the Aggregate Excess Limit, the Each Medical Incident Excess Limit is the most **we** will pay for all damages in excess of the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Limit, whichever applies, arising out of one **medical incident**.

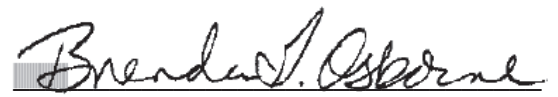
All **claims** arising from one **medical incident** or a series of related **medical incidents** to any one **patient** shall be deemed to be a single **medical incident** and shall be deemed to have occurred at the time of the first **medical incident** regardless of the number of claimants, or the number of **Insureds** against whom such **claims** are made. If a **medical incident** commences prior to the inception date of the first policy issued by **us** and continues thereafter, such fact will not prejudice such **medical incident** being covered under such first policy issued by **us**.

Since the limits provided herein are Excess Limits of Insurance, the Contractor Insured Aggregate Limit and All Other Non-Contractor Insureds Aggregate Limit shown in Item 5. (a) do not apply to the coverage provided herein.

ENDORSEMENT NO. 25

As used herein, **Non-Contractor Insured** means any person qualifying as an **Insured** under the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, other than a **Contractor Insured**.

All other terms and conditions of the policy remain unchanged.


Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO. 26

This endorsement, effective 12:01 AM: October 20, 2014

Forms a part of policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

AMENDATORY ENDORSEMENT – CHANGE OF ADDRESS

This endorsement modifies insurance provided by the policy:

Item 2. of the **DECLARATIONS** is deleted and replaced with the following:

Item 2. ADDRESS: 103 Powell Court
Brentwood, TN 37027

All other terms, conditions and exclusions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath.

Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO. 27

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

DELETION OF ENDORSEMENT

The following endorsement is deleted in its entirety:

PREMIUM AUDIT ENDORSEMENT NO. 13

ADJUSTABLE TOTAL POLICY AGGREGATE LIMIT AND ADJUSTABLE AGGREGATE
SELF-INSURED RETENTION ENDORSEMENT NO. 14

All other terms, conditions and exclusions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath the name.

Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO. 28

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

PREMIUM AUDIT ENDORSEMENT

This endorsement modifies insurance provided the insurance of the policy.

1. The total premium as shown in Item 6. of the DECLARATIONS is the deposit premium.

At the close of **policy period**, the **Service Adjusted Annual Average Inmates** will be determined for that period using the formula shown in Section 3. of this endorsement.

If the Final Audited **Service Adjusted Annual Average Inmates** is equal to 236,029, then no additional premium is due or return premium is payable for the **policy period**.

If the Final Audited **Service Adjusted Annual Average Inmates** is less than 236,029, then **we** will return premium for the **policy period** by calculating the amount in accordance with the **Return Premium Formula**.

If the Final Audited **Service Adjusted Annual Average Inmates** is greater than 236,029, then **we** shall give notice to the **First Named Insured** of additional premium due to **us** using the **Additional Premium Formula** below. The additional premium shall become due and payable within 15 days of such notice.

Additional Premium Formula: The number of Final Audited **Service Adjusted Annual Average Inmates** greater than 236,029 multiplied by \$23.73.

Return Premium Formula: The number of Final Audited **Service Adjusted Annual Average Inmates** less than 236,029 multiplied by \$23.73. However, **we** will retain no less than sixty-five (65) percent of the deposit premium.

2. RECORDS

The **First Named Insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to **us** within 30 days after the end of the **policy period** for determination of Final Audited **Service Adjusted Annual Average Inmates**.

ENDORSEMENT NO. 28

3. SERVICE ADJUSTED ANNUAL AVERAGE INMATES FORMULA

Service Type	Annual Average Inmates (a)	Service Type Adjustment (b)	Limit Adjustment Factor (c)	Adjusted Annual Average Inmates $= (a) \times (b)$ $\times (c)$
Comprehensive	106,737	1.000	1.000	106,737
Excluding Mental Health	57,004	0.800	1.000	45,603
Excluding Physicians	22,014	0.500	1.000	11,007
Indemnification (Rikers)	10,212	0.200	1.000	2,042
Mental Health Only	19,943	0.200	1.000	3,989
Pharmacy Only	0	0.010	1.000	0
Physicians Only	44,416	0.500	1.000	22,208
Florida DOC	75,200	1.000	0.591	44,443
Total	335,526			236,029

All other terms, conditions and exclusions of the policy remain unchanged.



Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO. 29

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

**ADJUSTABLE TOTAL POLICY AGGREGATE LIMIT AND ADJUSTABLE
AGGREGATE SELF-INSURED RETENTION ENDORSEMENT**

This endorsement modifies insurance provided by the policy:

The **First Named Insured** will provide **us** with the actual total number of covered inmates for the **policy period** within 30 days after the end of the **policy period**. Based upon these numbers, the Final Audited **Service Adjusted Annual Average Inmates** for the **policy period** will be calculated in accordance with the formula set forth in the "Premium Audit Endorsement".

The Final Audited **Service Adjusted Annual Average Inmates** will be divided by 236,029 and **we** will multiply such quotient by the Total Policy Aggregate Limit and Aggregate Self-Insured Retention shown on the Declarations to get an adjusted amount. The Total Policy Aggregate Limit and Aggregate Self-Insured Retention applicable to all **medical incidents** which occur during the **policy period** will be the greater of the following:

1. Such adjusted amount; or
2. Sixty-five percent (65%) of the Total Policy Aggregate Limit and Aggregate Self-Insured Retention shown on the Declarations.

All other terms, conditions and exclusions of the policy remain unchanged.



Authorized Representative

or countersignature (where required by law)

ENDORSEMENT NO. 30**Effective 12:01 AM:** December 31, 2014**Forms a part of Policy no.:** 6797600**Issued to:** VALITAS HEALTH SERVICE INC.**By:** LEXINGTON INSURANCE COMPANY**FINAL PREMIUM AUDIT & REVIEW OF AGGREGATES ENDORSEMENT**

This endorsement modifies insurance provided by the policy:

1. In accordance with the terms set forth in the **PREMIUM AUDIT ENDORSEMENT NO. 28**, the review for the policy period has been conducted and return premium is calculated as shown below.

Premium Audit

236,029	Estimate Service Adjusted Annual Average Inmates
- 226,997	Final Audited Service Adjusted Annual Average Inmates
= 9,032	Service Adjusted Annual Average Inmates less than 236,029
x \$23.73	Rate
\$ 214,329	Return Premium

Final Audited **Service Adjusted Annual Average Inmates**

Service Type	Annual Average Inmates	Service Type Adjustment	Limit Adjustment Factor	Adjusted Annual Average Inmates
	(a)	(b)	(c)	= (a) x (b) x (c)
Comprehensive	99,099	1.000	1.000	99,099
Excluding Mental Health	56,868	0.800	1.000	45,494
Excluding Physicians	21,260	0.500	1.000	10,630
Indemnification (Rikers)	9,664	0.200	1.000	1,933
Mental Health Only	15,922	0.200	1.000	3,184
Pharmacy Only	0	0.010	1.000	0
Physicians Only	44,677	0.500	1.000	22,339
Florida DOC	74,988	1.000	0.591	44,318
Total	322,478			226,997

ENDORSEMENT NO. 30

2. In accordance with the terms set forth in the **ADJUSTABLE TOTAL POLICY AGGREGATE LIMIT AND ADJUSTABLE AGGREGATE SELF-INSURED RETENTION ENDORSEMENT NO. 29.**, the review has been conducted and the final **TOTAL POLICY AGGREGATE LIMIT** and the **ADJUSTABLE AGGREGATE SELF-INSURED RETENTION** is as follows:


Total Policy Aggregate Limit (Maximum Payable Under Both Coverage Parts): \$46,163,209

\$ 48,000,000 Original
x .96 (226,997 /236,029)
\$46,163,209

Aggregate Self-Insured Retention (Applicable To Both Coverage Parts)*: \$23,081,604

\$ 24,000,000 Original
x .96 (226,997 /236,029)
\$23,081,604

All other terms, conditions and exclusions of the Policy remain unchanged.


Authorized Representative

FORMS SCHEDULE

Named Insured: VALITAS HEALTH SERVICE INC.

Policy Number: 6797600

Effective 12:01 AM: January 1, 2014

<u>End't No.</u>	<u>Form Name</u>	<u>Form Number/ Edition Date</u>
31	Deletion Of Endorsement	94485 (05/07)
32	Self-Insured Retention Endorsement	MNSCPT (12/15)

ENDORSEMENT NO. 31

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

DELETION OF ENDORSEMENT

The following endorsement is deleted in its entirety:

SELF-INSURED RETENTION ENDORSEMENT NO. 5

All other terms, conditions and exclusions of the policy remain unchanged.

A handwritten signature in black ink, reading "Brenda J. Osborne". The signature is written in a cursive style with a horizontal line underneath.

Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO. 32

Effective 12:01 AM: January 1, 2014

Forms a part of Policy no.: 6797600

Issued to: VALITAS HEALTH SERVICE INC.

By: LEXINGTON INSURANCE COMPANY

SELF-INSURED RETENTION ENDORSEMENT

NOTICE: (1) THE "AGGREGATE SELF-INSURED RETENTION" AS SHOWN IN THE DECLARATIONS IS INCLUDED WITHIN AND REDUCES THE TOTAL POLICY AGGREGATE LIMIT OF THIS POLICY AND (2) THE "EACH MEDICAL INCIDENT – SELF-INSURED RETENTION (ALL INSUREDS COMBINED)" AS SHOWN IN THE DECLARATIONS IS INCLUDED WITHIN AND REDUCES THE EACH MEDICAL INCIDENT – CONTRACTOR INSURED LIMIT AND THE EACH MEDICAL INCIDENT ALL OTHER NON-CONTRACTOR INSURED'S COMBINED LIMIT OF THIS POLICY.

This endorsement modifies insurance provided under all Coverage Parts:

- A. The **First Named Insured** shall be solely responsible for the Aggregate Self-Insured Retention shown in the Declarations and Each Medical Incident – Self-Insured Retention (All Insureds Combined) shown in Item 5(a) of the Declarations. This Aggregate Self-Insured Retention and Each Medical Incident – Self-Insured Retention (All Insureds Combined) cannot be insured against without **our** written consent.
- B. The Aggregate Self-Insured Retention is included within and reduces the Total Policy Aggregate Limit shown in the Declarations of this Policy.
- C. This Aggregate Self-Insured Retention shall be reduced by the payment of damages and/or **defense costs** by the **First Named Insured** for a covered **medical incident** under MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART or the payment of **administrative proceeding defense costs** by the **First Named Insured** for a covered **administrative proceeding** under MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE.
- D. Subject to Aggregate Self-Insured Retention set forth in Paragraph C. above, the Each Medical Incident – Self-Insured Retention (All Insureds Combined) shall be reduced by the payment of damages and/or **defense costs** by the **First Named Insured** for a single **medical incident** covered under MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART. The Each Medical Incident – Self-Insured Retention (All Insureds Combined) applies to all Named Insureds, additional **Insureds, Contractor Insureds** and **locum tenens**, collectively, for a single **medical incident**.
- E. With respect to the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, Each Medical Incident – Self-Insured Retention (All Insureds Combined), the payment of damages and/or **defense costs** by the **First Named Insured** shall be included within and reduce the Each Medical Incident – Self-Insured Retention (All Insureds Combined) and the payment of such damages and/or **defense costs** shall also reduce both the Each Medical Incident – Contractor Insured Limit and/or the Each Medical Incident All Other Non-Contractor Insured's Combined Limit, whichever is applicable.
- F. We only pay **defense costs** in addition to the respective limits pursuant to Section II.B., DEFENSE AND OTHER PAYMENTS UNDER THIS POLICY – ALL COVERAGE PARTS, if the Each Medical Incident – Contractor Insured Limit or the Each Medical Incident All Other Non-Contractor Insured's Combined Limit is exhausted by the Each Medical Incident Self-Insured Retention (All Insureds Combined). Our payment of **defense costs** pursuant to Paragraph F. will reduce the Policy Aggregate Limit. This Each Medical Incident – Self-Insured Retention (All Insureds Combined) will be applied to a single **medical incident**. For the purposes of this provision, all related or interrelated **medical incidents** causing **bodily injury** to a **patient** shall be deemed a single **medical incident**.

ENDORSEMENT NO. 32

If a single **medical incident** gives rise to: (1) multiple Each Medical Incident – Contractor Insured Limits (with or without the Each Medical Incident All Other Non-Contractor Insured's Combined Limit) applying to such **medical incident** or (2) a single Each Medical Incident – Contractor Insured Limit and the Each Medical Incident All Other Non-Contractor Insured's Combined Limit applying to such **medical incident**, then **we** shall apply the Each Medical Incident – Self-Insured Retention (All Insureds Combined) once to such **medical incident**.

By way of example only, a **suit** names two **Contractor Insureds** and a Named Insured in a single **medical incident**, all of whom are found to be liable in a judgment covered by this policy (in a jurisdiction where joint and several liability applies). One of the **Contractor Insureds** (Contractor Insured #2) has previously reduced his/her Contractor Insured Aggregate Limit by other **claims**, such that the remaining amount available for this **suit** is \$500,000 for that **Contractor Insured**. All other Aggregate limits are sufficient and the Aggregate Self-Insured Retention has not been exhausted already and will not be exhausted by this **suit**. The judgment is for \$2,500,000 in damages. (To simplify, assume no **defense costs** are paid.)

In this case, the total available limits for this **medical incident** are \$1,000,000 for Contractor Insured #1, \$500,000 for Contractor Insured #2 and \$1,000,000 for the Named Insured. Thus, the total available limits are \$2,500,000. The Named Insured retains \$1,000,000 and **we** pay \$1,500,000.

With respect to the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE, the Aggregate Self-Insured Retention will be applied to single **administrative proceeding** in the same manner as described in Paragraph C. of Section IV. LIMITS OF INSURANCE of the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE.

- G. With respect to the MEDICAL GROUP PROFESSIONAL LIABILITY OCCURRENCE COVERAGE PART, **our** obligation to pay damages and/or **defense costs** and **our** rights and duties with respect to the defense and settlement of **claims** applies only when damages and/or **defense costs** for each **medical incident** exceeds the Each Medical Incident – Self-Insured Retention (All Insureds Combined) or the Aggregate Self-Insured Retention is exhausted by the payments set forth in Paragraph C. above and then only up to the applicable Limit of Insurance.

With respect to the MEDICAL GROUP ADMINISTRATIVE PROCEEDINGS DEFENSE COSTS COVERAGE, **our** obligation to pay **administrative proceeding defense costs** applies only when the Aggregate Self-Insured Retention is exhausted by the payments set forth in Paragraph C. above and then only up to the applicable Limit of Insurance. Under no circumstances shall **we** have a duty to defend any **administrative proceeding**.

Once the Aggregate Self-Insured Retention is exhausted no further Self-Insured Retention shall apply to any **claim** or **administrative proceeding**.

We shall have the right, at **our** own expense, but not the obligation to associate with the **Insured** in the defense, negotiation, and settlement of any **claim**. The Insured shall give **us** full cooperation and such information as **we** may reasonably require.

- H. The **First Named Insured** shall handle all **claims** or **suits** within the applicable Self-Insured Retention of this policy. **We** do not have the duty to investigate or defend any **medical incident**, **claim** or **suit** unless and until the applicable Self-Insured Retention is exhausted by the actual payment of the full amount of such Self-Insured Retention by damages and/or **defense costs** with respect to that **medical incident**, **claim** or **suit**. However, **we** may, at **our** discretion and expense, participate with **you** in the investigation of any such **medical incident** and the defense of any such **claim** or **suit** that may result and **you** shall provide **us** with **your** full cooperation. No **Insured** shall settle any **claim** or **suit** which obligates **us** to pay any amount under this policy without **our** prior written consent.

ENDORSEMENT NO. 32

- I. Notwithstanding the definition of **defense costs** in the MEDICAL GROUP GENERAL POLICY PROVISIONS AND CONDITIONS, for the purposes of this endorsement, **defense costs** means legal costs and expenses, including fees charged by an attorney designated by **you** to investigate or defend any **claim** or **suit** brought against any **Insured**. **Defense costs** includes: (1) the cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance, (2) pre-judgment and post-judgment interest awarded against the **Insured**, (3) all costs taxed against the **Insured** in the **suit**, and (4) premiums on appeal bonds required by law to appeal any **suit**.

Defense costs do not include, **your** general overhead; the salary and employee benefits of any of **your** employees; fees paid by **you** to any claims handling service; the fees of any attorney who is **your** employee; or the fees of any attorney **you** retain to provide counsel to **you** about **your** rights under any policy issued by **us** or **our** affiliated companies with respect to a **claim** or **suit** against **you**.

- J. Notwithstanding the definition of **administrative proceeding defense costs** in the MEDICAL GROUP GENERAL POLICY PROVISIONS AND CONDITIONS, for the purposes of this endorsement, **administrative proceeding defense costs** means reasonable and necessary fees and expenses charged by an attorney in the defense or appeal of an **administrative proceeding**.

Administrative proceeding defense costs do not include, **your** general overhead; the salary and employee benefits of any of **your** employees; fees paid by **you** to any claims handling service; the fees of any attorney who is **your** employee; or the fees of any attorney **you** retain to provide counsel to **you** about **your** rights under any policy issued by **us** or **our** affiliated companies with respect to a **administrative proceeding** against **you**.

All other terms, conditions and exclusions of the policy remain unchanged.



Authorized Representative

or countersignature (where required by law)